

CITY OF BRIDGEPORT, CONNECTICUT

**FINANCIAL REPORT
JUNE 30, 2007**

CITY OF BRIDGEPORT, CONNECTICUT



COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year
July 1, 2006 to June 30, 2007**

Prepared By:
DEPARTMENT OF FINANCE

MICHAEL LUPKAS, CPFO
Director of Finance

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Introductory Section

January 30, 2008

Honorable Bill Finch, Mayor
Members of the City Council
Citizens of Bridgeport

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2007.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

McGladrey & Pullen, LLP has issued an unqualified (“clean”) opinion on the City of Bridgeport, Connecticut’s financial statements for the year ended June 30, 2007. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Bridgeport was incorporated in 1836 and annexed portions of the neighboring towns of Stratford and Fairfield in the late 1800's. The City is located approximately 60 miles east of New York City on the northern shore of Long Island Sound. With a 2000 U.S. Census population of 139,529 residents, Bridgeport is the largest city in Fairfield County and the State of Connecticut, averaging almost 7,200 people per square mile. Encompassing an area of 19.38 square miles (16.0 square miles of land and 3.38 square miles of water), Bridgeport's 57,000 housing units are unequaled in the State of Connecticut.

Bridgeport operates under and is governed by the laws of the State of Connecticut and its own charter, which was adopted by the State Legislature in 1907. A major revision to the City's charter was adopted in 1992 that streamlined governmental processes and provided for greater administrative accountability. The Charter provides for a Mayor-Council form of government. The Mayor is the chief executive officer of the City. The City Council, which acts as the City's

legislative body, consists of twenty council members elected to two-year terms. On November 3, 1998, voters approved a Charter change providing for four-year terms for the Mayor, City Clerk and Town Clerk. This term change became effective in the November 1999 municipal election.

The City provides a full range of services to its citizens. These include: police and fire protection; sewer and sanitation; education; library; airport; the highways, streets and infrastructure maintenance; parks and recreation; cultural events and organizations; health and welfare; and general administrative services.

The annual budget serves as the foundation for the City of Bridgeport's financial planning and control.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on page 34 as part of the basic financial statements for the General Fund.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy: The Bridgeport economy, like the State economy, has started to slowly recover from the effects of the national and subsequent regional and statewide recession in 2003-2004. The City's unemployment rate has remained unchanged for the fiscal year ending June 30, 2007 from a 6.6% annual average for the fiscal year ending June 30, 2006. The State unemployment rate has shown a slight increase to a 4.35% annual average for the fiscal year ending June 30, 2007 from an annual average of 4.3% in 2006. The City's taxable base continues to show growth; the October 1, 2005 grand list increased 2.09%, which represents the thirteenth consecutive year that the grand list has increased. The increase in the Grand List over the last ten years (Grand List October 1, 1996) equates to 118.0%.

Bridgeport had historically been a manufacturing/industrial city that was, for a time, primarily oriented for manufacturing products used in war efforts. The loss of manufacturing jobs on a national level in recent decades has impacted Bridgeport as well. The City's economic development plans have focused on diversification of the local economic base, tailored to the City's strengths of geographic location and skilled workforce availability. Manufacturing job losses of the 1980's and early 1990's have stabilized and the City's strategy of identifying growth industries such as medical, financial services, construction, and film/media is proving successful. In order to enhance the infrastructure that serves the industrial base of the City and assemble the land and facilities necessary to provide for the expansion of existing corporations and accommodate new businesses, redevelopment within the City's three industrial corridors continues.

Examples of recent significant public and private investments in Bridgeport are many.

In 2006, Sound State LLC began development of a new 115,000 square foot commercial/light industrial warehouse, office and showroom to house the expanding operations of a Bridgeport-

based company – **AKDO Intertrade, Inc.** AKDO imports fine stone from throughout the world and processes it for commercial and residential development applications in the United States. The company, which was established in Bridgeport in the early 1990's, has grown continuously to where it now employs more than 80 people locally in sales, marketing, warehousing, processing, and administration. The new facility cost in excess of \$8.5 million to construct and was completed in October of 2006. The project will pay, at full value, approximately \$200,000 annually in real estate taxes to the City. The building is the largest industrial building constructed in Bridgeport since the 1970s.

In November of 2006, **ASAP Bedliners, Inc.** broke ground for a new 17,000 square foot commercial industrial building to house a showroom, office, and assembly facility for this Bridgeport-based company. ASAP outfits trucks and construction equipment with plows, sanders, and bedliners, and has experienced significant growth since it initially started operations in Bridgeport in the early 1990's. The new \$1.5 million building was completed in the Fall of 2007, and the business is expected to employ as many as 20 by mid 2008. The project will pay, at full value, approximately \$30,000 in annual real estate taxes to the City.

The former Evergreen Apartments in the City's West End was an abandoned federal housing project, vacant for more than a decade. The City razed the entire complex, making way for a new 60,000 square foot **Stop & Shop** supermarket. The funding for the demolition and environmental cleanup was obtained by the City from the State of Connecticut. The new store opened in November 2006 and is expected to pay more than \$200,000 per year in real property taxes.

Bridgeport Fuel Cell Park LLC currently holds an option on 2-acres of city-owned land in the City's West End Industrial Park, to construct a 14-megawatt hydrogen fuel cell facility. The project is anticipated to cost \$40 million, and pay the City in excess of \$300,000 annually in property taxes. The project has been approved by the Connecticut Clean Energy Fund, and is anticipated to begin in the summer of 2008. The project is one of several expected to occur in the City in the coming years meant to address electric service reliability concerns in the region. In addition, the project's co-generation (heating/cooling) potential is currently being assessed for neighboring businesses, including Chaves Bakery, Dari-Farms, and AKDO Intertrade.

The **Middletown-to-Norwalk 345kV Power Line Project** is jointly being developed by the Connecticut Light & Power (CL&P) and the United Illuminating Company (UI) will bring approximately \$100 million in new taxable infrastructure into the City. The underground power cable project, together with the new Singer Substation, is under construction and is on schedule to be completed in 2009. City departments have worked extensively with the construction managers of the power line project to minimize disruptive impacts to local residents and businesses. Southwestern Connecticut is expected to greatly benefit from the increased power capacity and reliability afforded by the new infrastructure.

Many other major public and private projects were either completed or continued in the last year:

Cesar Batalla School opened its doors in January 2007. The new 1,150 student Pre-Kindergarten through 8th grade elementary school in the City's West End was completed on the planned schedule, and at a cost under the planned budget.

The new **North End School** will open in 2008. This school will serve 750 students, Pre-kindergarten through 8th grade.

When completed, a project under construction at the site of the **former Father Panik Village** will replace two existing schools. The dual-school campus will contain a 500-student facility replacing the current Barnum Elementary School, and a 750-student facility replacing the current Waltersville Elementary School. The two schools will share common facilities such as administrative offices, playgrounds, a cafeteria and a gym, but will have separate teacher/visitor parking areas, bus drop-offs, front doors, and identities. A Fall 2008 opening is planned.

The **Jettie Tisdale School**, a 750 student Pre-Kindergarten through 8th grade elementary school, is scheduled to open in Fall 2008. This school replaces the former Newfield and McKinley Schools and will contain several acres of outdoor recreation space in the East End neighborhood.

St. Vincent's Medical Center, a \$150 million expansion is under way and will include ten new emergency rooms; 30 new intensive care beds; upgrades to its emergency power system; and a new parking garage for doctors and visitors. The City is actively working with the St. Vincent's Medical Center to obtain all of the required permits and approvals; construction is anticipated to begin in 2008. A demand for additional medical office space in the City's North End has been observed.

The **Village at Black Rock** project consists of 105 ranch-style, 2-bedroom and 2-bath condominiums, at 3250 Fairfield Avenue. The project was substantially completed in 2006, and the units have all sold and been occupied. Black Rock Village Development LLC privately financed the construction of the project, and the units were sold for an average price in excess of \$325,000, indicative of the increasing strength in the City's residential real estate market and the improving fiscal condition of the City.

The **Bijou Square** historic rehabilitation project in downtown Bridgeport is now the home of several restaurants and entertainment venues. The \$12 million project was undertaken entirely with private financing, and is just one example of several of the current development activities that are invigorating the downtown area. In addition, the next phase of the project is under construction; a new, 5 story, \$30 million retail and residential complex.

The Seaview Avenue Industrial Park project will result in the retention of two long time Bridgeport manufacturers, **Syntex** and **Rotair**, and the construction of as much as 70,000 square feet of new industrial space. **All-Phase Construction**, a manufacturer and installer of ornamental iron-work and metal construction components, has completed development of a new 25,000 square foot headquarters and fabrication center. All-Phase will commence construction in 2008 of a 30,000 square foot warehouse on an adjacent property.

In 2008, **United Rentals**, a national company that leases construction equipment, will commence construction on a 40,000 square foot warehouse and leasing office on the site of the former Bridgeport Brass complex on Housatonic Avenue. The facility will consolidate the company's regional operations, and is anticipated to house as much as \$10 million of taxable personal property, which could result in property tax revenues of approximately \$300,000 annually for the City.

For more information on current development activity in the city of Bridgeport, please see the City's web site at: www.ci.bridgeport.ct.us, scroll down on the left side to "Hot Topics" and click on "Bridgeport Development."

Cash Management Policies and Practices: It is the policy of the City of Bridgeport to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all statutes governing the investment of funds. Idle cash was invested on a short-term basis, during the year, in temporary, legally permitted investments. Money market investments managed by TD Banknorth, US Bank and People's United Bank comprised the major share of the City's short-term investments as well as money invested in the Short-Term Investment Fund (STIF) operated by the Office of the State Treasurer.

Risk Management: The City is insured for building and contents in the amount of approximately \$393,050,000 with a \$250,000 deductible. The Sikorsky Memorial Airport is insured for a \$100,000,000 general liability policy with a hangers-keeper liability deductible of \$1,000 on any one occurrence. The City has theft and dishonesty bonds for \$250,000 each for the Police Department and City Hall employees. It also has a Tax Collector's bond in the amount of \$2,205,000.

The City is self-insured for general liability, professional liability, worker's compensation and heart and hypertension claims. The City has contracted with an outside company to oversee its workers' compensation and heart and hypertension claims.

The City provides comprehensive life, hospital, and major health benefits for its employees pursuant to various union contracts. The City is self insured for its employees' health and medical benefits and has contracted with HealthNet to act as a third party administrator of the plan.

The benefits officer and safety officer are pro-active in implementing programs to improve employee's health and prevent injuries. Blood pressure screening, flu shots and safety committees for all major departments of the City are examples of some of these programs.

Pension and Other Post-Employment Benefits: All full-time employees of the City, except for the Board of Education personnel, police, firefighters and janitors and engineers, participate in the Connecticut Municipal Employees' Retirement Fund B (CMERF). This is a cost sharing multiple employer public employee retirement system. The City's payroll for employees covered under this plan for the year ended June 30, 2007 was \$75.9 million, which represents 29.7 percent of the total City payroll of \$255.9 million.

In addition to CMERF, the Board of Education teachers and certified administrators participate in a contributory defined benefit plan that is a State-financed teachers' retirement system. For the year ended June 30, 2007, the City's payroll for employees covered under this plan was \$110.6, which represents 43.2 percent of the total City payroll.

All other full-time employees belong to one of the following single employer defined benefit plans:

- i) Public Safety Plan A Investment and Pension Trust
- ii) Police Retirement Plan B
- iii) Firefighters' Retirement Plan B
- iv) Janitors' and Engineers' Retirement Fund

Pension plans ii and iii above are funded on an actuarial basis. Pension plan iv is funded on a “pay as you go” basis, that is, the City’s contribution to the plan is the amount necessary to pay annual benefits. Plan i is a closed plan with no new enrollments having been allowed since January 1, 1984. During the year ended June 30, 2001, the City issued \$350,000,000 of taxable pension obligation bonds. These assets are invested and, along with the revenues produced, will be used to fund future benefit payments to members of Plan i.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bridgeport, Connecticut for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2006. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of a state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easy to read and well-organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Bridgeport has received a Certificate of Achievement in each of the last ten years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The preparation of the Comprehensive Annual Financial Report was made possible by the efficient and dedicated services of the entire staff of the Finance Department, particularly the Comptroller's Office, Internal Audit Department and In-Plant Print Shop. We want to express our appreciation for the cooperation, assistance and support of other City departments.

We would like to acknowledge the thorough and professional manner in which our independent auditors, McGladrey & Pullen, LLP, conducted the audit.

The cover photograph is a shot of the new Cesar A. Batalla School located at 606 Howard Avenue in the City’s West End. Cesar A. Batalla School is the first new school to open in Bridgeport in fourteen years, and is the first in a series of new schools planned to replace the City’s aging school buildings. Construction on the 146,000 square-foot structure started in May 2005 and was dedicated on January 21, 2007.

Cesar A. Batalla School is a very unique neighborhood school because of its international flavor. It opened its doors to students from the Elias Howe School and Howe Annex, as well as some classes from Curiale and Black Rock Schools. Cesar Batalla is a Kindergarten through 8th grade school, and in January 2007, it opened a Pre-Kindergarten class. More than 800 students were assigned to Batalla School when it was dedicated in January 2007, and it has room for up to 1,080 students, including four pre-school classes.

Having been named after one of the City’s most loved Latino leaders, the late Cesar A. Batalla, the City and the Board of Education looks forward to keeping his life long dream of creating a school that is more than a building, but an integral part of the West End Community.

The cover photograph was taken by Joseph S. Sopko, a programmer in the City's Information Technology Systems Department, assisted by Anthony Palumbo, Director of the In-Plant Print Shop.

In closing, without the leadership and support of the Mayor and City Council, preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Lupkas". The signature is fluid and cursive, with the first name being more prominent.

Michael Lupkas, CPFO
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bridgeport
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

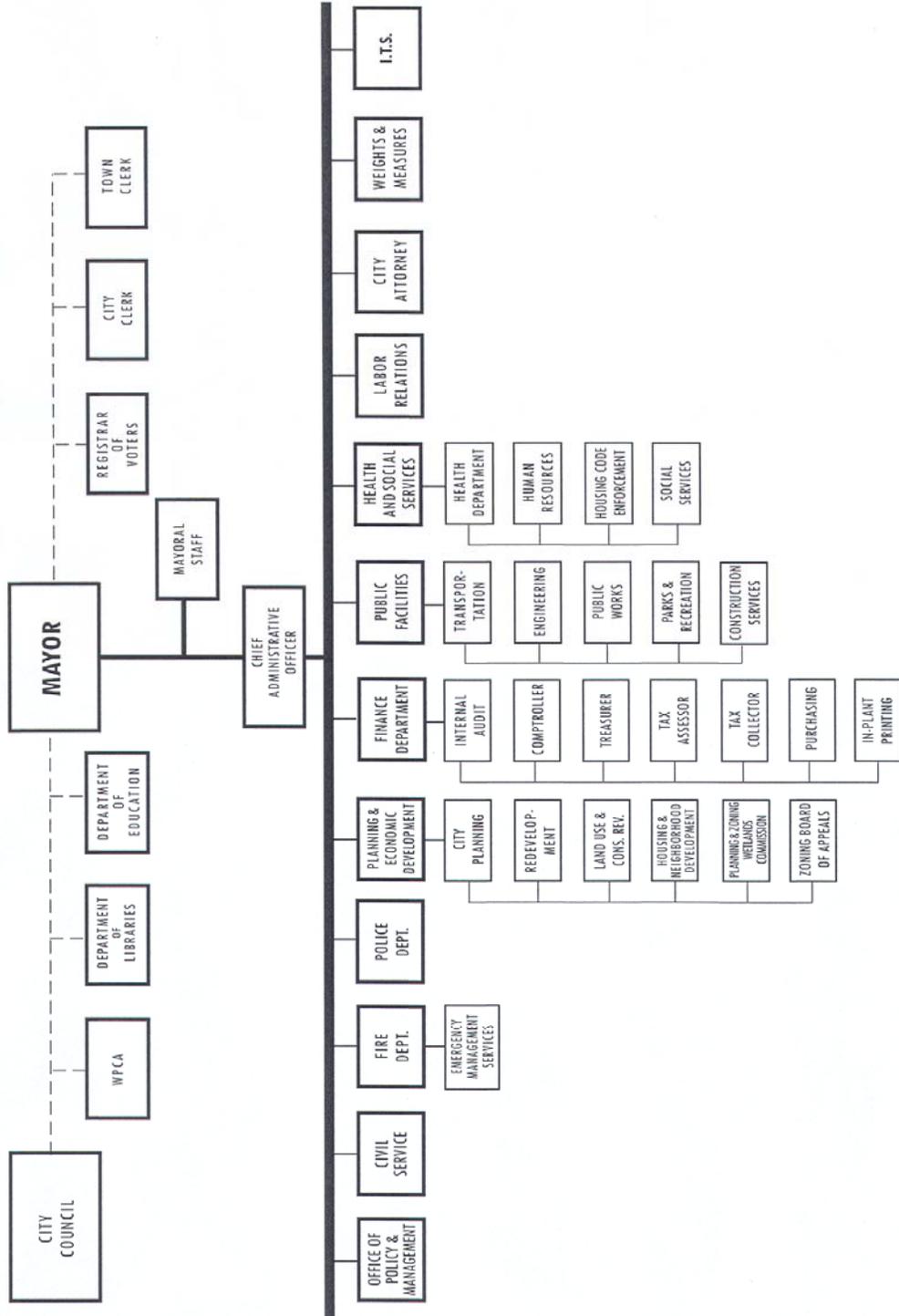
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

CITY OF BRIDGEPORT TABLE OF ORGANIZATION



CITY OF BRIDGEPORT, CONNECTICUT

LIST OF PRINCIPAL OFFICERS

As of June 30, 2007

Office	Name	Manner of Selection and Term
Mayor	John M. Fabrizi	Elected – 4 Year Term
City Clerk	Fleeta C. Hudson	Elected – 4 Year Term
Town Clerk	Hector Diaz	Elected – 4 Year Term
Chief Administrative Officer	Michael Feeney	Appointed by Mayor
Director of Finance	Michael Lupkas	Appointed by Mayor
Deputy Director of Finance/Comptroller	Joseph Jambriska, Jr.	Appointed by Director of Finance
Treasurer	Anne Kelly-Lenz	Appointed by Mayor
City Attorney	Mark Anastasi	Appointed by Mayor
Director of Office of Policy and Management	Thomas Sherwood	Appointed by Mayor
School Superintendent	John J. Ramos, Sr., E.D.D.	Board of Education

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Bridgeport, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bridgeport, Connecticut, as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Bridgeport, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bridgeport, Connecticut, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated January 30, 2008 on our consideration of the City of Bridgeport, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

The management discussion and analysis, on the pages listed on the table of contents, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, budgetary detail, combining and individual nonmajor fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary detail, combining and individual nonmajor fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

New Haven, Connecticut
January 30, 2008

City of Bridgeport, Connecticut
Management's Discussion and Analysis
June 30, 2007

As management of the City of Bridgeport, Connecticut (the "City") we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the City's basic financial statements that follow this section.

Financial Highlights

- ◆ On a government-wide basis, the assets of the City exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$116,484,995. Total net assets for Governmental Activities at fiscal year-end were \$44,057,892 and total net assets for Business-Type Activities were \$72,427,103. The unrestricted net deficit at June 30, 2007 was (\$167,996,995).
- ◆ On a government-wide basis, during the year, the City's net assets increased by \$66,452,697 from \$50,032,298 to \$116,484,995, due primarily to approximately \$64.1 million in capital grants received for school construction projects. Net assets increased by \$64,738,897 for Governmental Activities and by \$1,713,800 for Business-Type Activities. Government-wide expenses were \$607.3 million, while revenues were \$673.8 million.
- ◆ At the close of the year, the City's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$136.3 million, an increase of \$8.2 million from the prior fiscal year. Of the total fund balance as of June 30, 2007, \$35.0 million represents the combined unreserved fund balance (deficit) in the general fund, special revenue funds, capital projects fund and permanent trust fund. Of this balance, \$29.2 million, \$14.1 million and \$3 thousand which represents the positive unreserved fund balances in the General Fund, Capital Projects Funds and Permanent Trust Funds, respectively, is available for spending at the City's discretion.
- ◆ At the end of the current fiscal year, the total fund balance for the General Fund alone was \$29.2 million, an increase of \$426,579 from the prior fiscal year. Included in the fiscal year 2007 budget was an appropriation of \$2.0 million of unreserved fund balance. As of June 30, 2007, the General Fund's unreserved fund balance was \$29.2 million. Unreserved general fund fund balance at year-end represents 11.7% of total general fund expenditures (\$249.7 million).
- ◆ The City's total debt increased by \$22.9 million during the current fiscal year. The reason for the increase was the net effect of new debt issued in June 2007.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information and a statistical section as well as the basic financial statements. The statistical section provides comparisons of selected information beginning with fiscal year 1998.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. All of the resources the City has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the City's overall financial status.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the City is improving or deteriorating. It speaks to the question of whether or not, the City, as a whole is better or worse off as a result of this year's activities. Other non-financial factors will need to be considered, however, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period, uncollected taxes and earned but unused vacation leave are examples.

Both of the government-wide financial statements distinguish functions of the City that are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities).

- ◆ Governmental activities of the City encompass most of the City's basic services and include governmental and community services, administration, public safety, health and welfare, operations and education. Property taxes, charges for services and state and federal grants finance most of these activities.
- ◆ Business-type activities of the City consist of the Water Pollution Control Authority. It is reported here, as the City charges a user fee to customers to help cover all or most of the cost of operations.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) can be found on pages 29-30 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City has three types of funds:

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spend able resources, as well as on balances of spend able resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 27 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Board of Education Fund, and the Capital Bond Issue Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation as Other Governmental Funds. Non-major governmental funds for the City include the Education Grant Fund, the Health and Sanitation Fund, the Community Development Fund, the Other Programs Fund, the Social Services Fund, the Community Development Block Grant Fund, the Home Program Fund, the Section 108 Loan Guarantee Fund, the Development Administration State Grant Fund, the Library Fund, the Education Fund, the Parks and Recreation Fund, are all considered Special Revenue Funds. In addition, the Education and Library Fund, the Health and Sanitation Fund, the Highway and Parking Fund, the General Government Fund, the Parks and Recreation Fund, the Municipal Airport Fund, the Capital Reduction Fund, the Bond Issue Fund, the School Bond Issue Fund, and the 1997 Bond Issue Fund are all considered Capital Projects Funds. Permanent Trust Funds consist of the Library Fund and the Education Fund. Individual fund data for each of these non-major governmental funds is provided in the combining balance sheets on pages 94-98 and in the combining statement of revenues, expenditures and changes in fund balance on pages 100-104.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the authorized budget. The statement of revenues, expenditures and changes in fund balance on a budgetary basis can be found on page 34.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) can be found on pages 31-32 of this report.

Proprietary funds. The City of Bridgeport maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The City of Bridgeport uses an enterprise fund to account for its Water Pollution Control Authority. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the City of Bridgeport's various functions. The City of Bridgeport uses an internal service fund to account for its health insurance system. Because this service predominantly benefits governmental functions rather

than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found on pages 35-37 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the City's constituency. The City has four pension trust funds. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 38-39 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40-84 of this report.

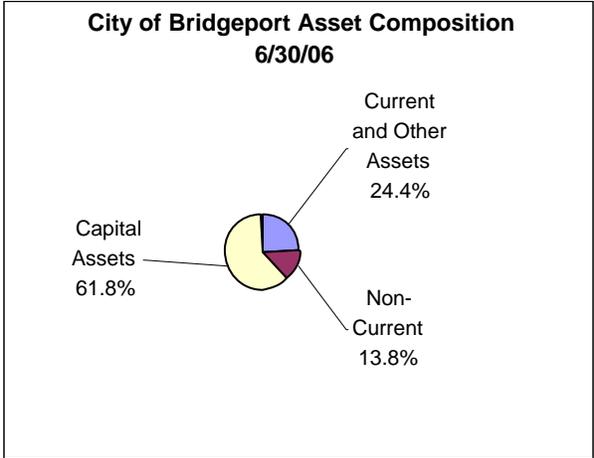
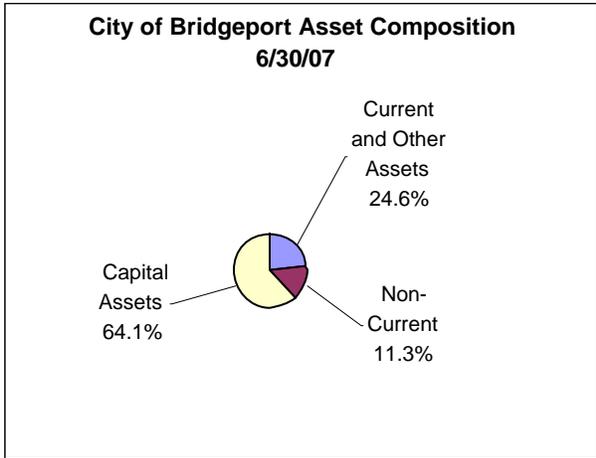
The notes to this report also contain certain information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. On a government-wide basis, the City's assets exceeded its liabilities by \$116,484,995 at June 30, 2007. This is an increase of \$66,452,697 from last year's net assets of \$50,032,298.

	City of Bridgeport Net Assets (\$000's)					
	June 30, 2007			June 30, 2006		
	Primary Government			Primary Government		
	Govern- mental Activities	Business Type Activities	Total*	Govern- mental Activities	Business Type Activities	Total*
Current and Other Assets	\$ 274,028	\$ 2,903	\$ 276,931	\$ 239,853	\$ 1,320	\$ 241,173
Non- Current	126,392	582	126,974	135,355	1,005	136,360
Capital Assets	596,116	126,279	722,395	484,334	126,599	610,933
Total Assets	996,536	129,764	1,126,300	859,542	128,924	988,466
Other Liabilities	167,437	7,295	174,732	94,892	1,651	96,543
Long-term liabilities outstanding	785,041	50,042	835,083	785,331	56,559	841,890
Total Liabilities	952,478	57,337	1,009,815	880,223	58,210	938,433
Net Assets:						
Inv. In cap assets, net of related debt	209,091	71,648	280,739	127,515	70,240	197,755
Restricted	3,161	582	3,743	3,161	1,005	4,166
Unrestricted	(168,194)	197	(167,997)	(151,357)	(532)	(151,889)
Total Net Assets	\$ 44,058	\$ 72,427	\$ 116,485	\$ (20,681)	\$ 70,713	\$ 50,032

* After internal receivables and payables have been eliminated.



At the end of the current fiscal year, the City is able to report a positive balance in both its governmental and proprietary activities.

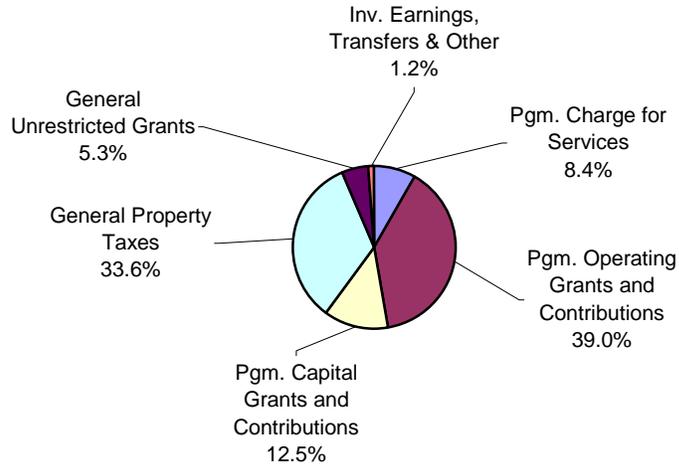
The portion of the City’s net assets of \$280,738,479 reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment), net of any outstanding debt related to these assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

- ◆ The portion of the City’s net assets that are restricted, \$3,743,511, represents resources that are subject to external restrictions on how they may be used. Unrestricted net deficits of (\$167,996,995) may not be used to meet the government’s ongoing obligations to citizens and creditors, due to the negative balance. The primary reason for the large negative balance is due to the issuance of the August 2000 General Obligation Taxable Pension Bonds, which were issued to properly fund pension plans, which were previously funded on a “pay-as-you-go” basis, which has a net outstanding balance of \$323,435,000. On a government-wide basis, during the year, the City’s net assets increased by \$66,452,697 from \$50,032,298 to \$116,484,995. Net assets increased by \$64,738,897 for Governmental Activities and net assets increased by \$1,713,800 for Business-Type Activities. Government-wide expenses were \$607.3 million, while revenues were \$673.8 million. The increase in net assets can primarily be explained by the increase in grant revenue associated with capital projects.

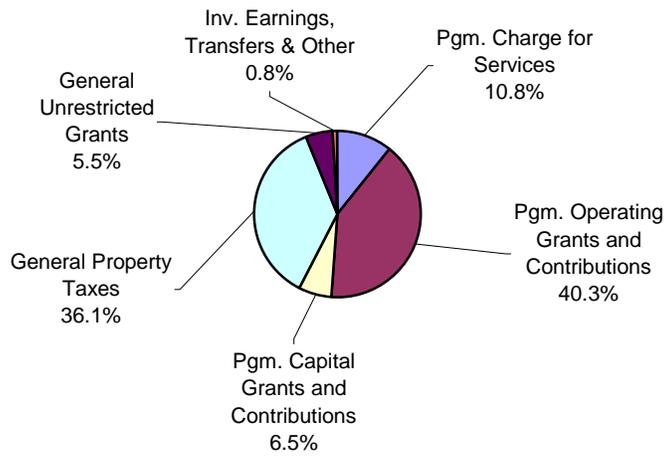
City of Bridgeport, Connecticut
Changes in Net Assets (\$000's)

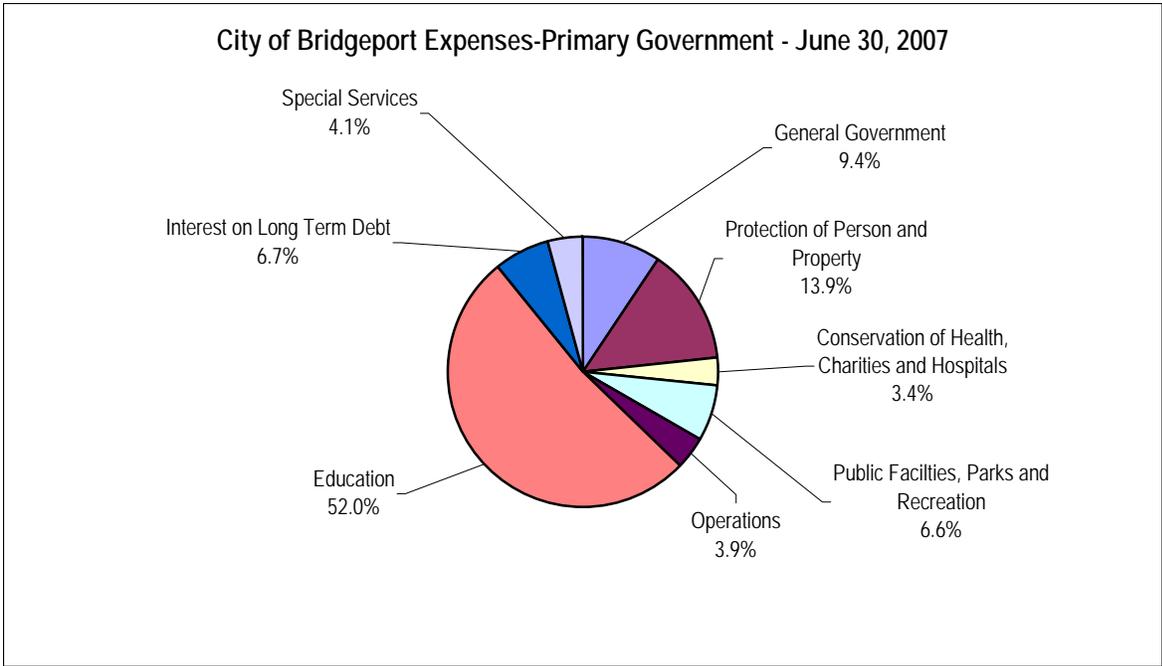
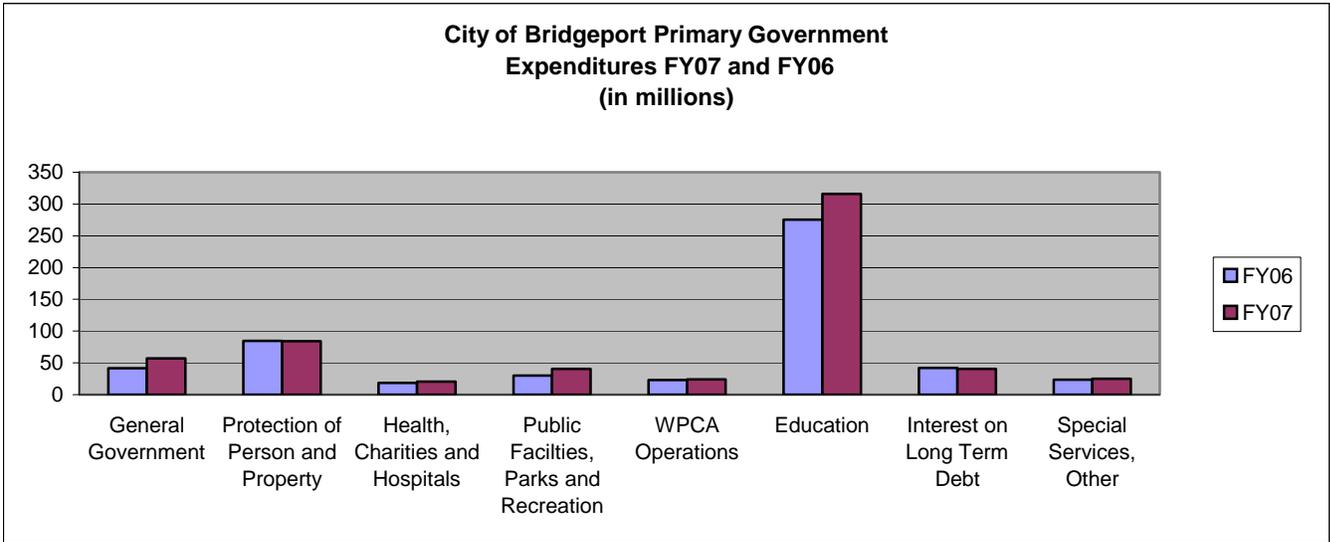
	<u>June 30, 2007</u>			<u>June 30, 2006</u>		
	<u>Primary Government</u>			<u>Primary Government</u>		
	<u>Govern- mental Activities</u>	<u>Proprietary Activities</u>	<u>Total</u>	<u>Govern- mental Activities</u>	<u>Proprietary Activities</u>	<u>Total</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 32,004	\$ 24,438	\$ 56,442	\$ 40,483	\$ 22,715	\$ 63,198
Operating Grants and Contributions	262,565	-	262,565	235,653	-	235,653
Capital Grants and Contributions	83,377	1,156	84,533	36,551	1,557	38,108
General Revenues:						
Property Taxes	226,472	-	226,472	210,008	-	210,008
Grants Not Restricted to Specific Programs	35,589	-	35,589	32,127	-	32,127
Unrestricted Investment Earnings	8,198	-	8,198	4,235	159	4,394
Total revenues	648,205	25,594	673,799	559,057	24,431	583,488
Expenses:						
General Government	56,846	-	56,846	41,722	-	41,722
Protection of Person and Property	84,119	-	84,119	84,410	-	84,410
Conservation of Health, Charities and Hospitals	20,437	-	20,437	18,690	-	18,690
Public Facilities, Parks and Recreation	40,320	-	40,320	30,150	-	30,150
Operations	-	23,880	23,880	-	22,869	22,869
Education	316,003	-	316,003	275,175	-	275,175
Interest on Long Term Debt	40,704	-	40,704	41,900	-	41,900
Special Services	25,037	-	25,037	23,419	-	23,419
Total expenses	583,466	23,880	607,346	515,466	22,869	538,335
Change in net assets	64,739	1,714	66,453	43,591	1,562	45,153
Net Assets, beginning	(20,681)	70,713	50,032	(64,272)	69,151	4,879
Net Assets, ending	\$ 44,058	\$ 72,427	\$ 116,485	\$ (20,681)	\$ 70,713	\$ 50,032

City of Bridgeport FY07 Revenues



City of Bridgeport FY06 Revenues





Bridgeport's net assets increased by \$66,452,697 during the fiscal year, with the net assets of Governmental Activities increasing by \$64,738,897 million, and net assets of Business-Type Activities increasing by \$1,713,800. The increase in net assets represents the degree to which increases in revenues have outpaced ongoing expenditures.

Governmental Activities

Program revenues represented 59.9% of total revenues, followed by property taxes at 33.6%, and other unrestricted grants and investment earnings at 6.5%.

Major revenue factors included:

- ◆ Property tax revenues recorded for fiscal year 2007 reflect the incremental increase in the grand list and increased collection efforts.
- ◆ Investment earnings increased in the general fund from \$1,551,000 in the prior fiscal year to \$2,027,000 million for the fiscal year ended June 30, 2007. The \$476,000 increase can be explained by the increase in interest rates and the realization of income when adjusting investments to market.

For Governmental Activities, 52.1% of the City's expenditures relate to education; 13.9% relate to public safety; 6.8% relate to special services; 6.7% relate to interest payments on long-term debt; 6.6% relate to public facilities, parks and recreation; 3.9% relate to operations; 6.6% relate to general government; and 3.4% relate to health and welfare.

Major expenditure factors include:

- ◆ Employee benefit costs rose between 10% and 15% due to rising health insurance costs.
- ◆ The approved modified budget for fiscal year 2007 included the use of \$2,000,000 of the City's fund balance.
- ◆ During the 2006-2007 budget process, discretionary expenses held stable or reduced by up to 10%.
- ◆ Police Overtime increased due to national security alerts and public safety concerns.
- ◆ Governmental activities increased the City's net assets by \$64,738,897.

Business-Type Activities

Water Pollution Control Authority (WPCA) revenue for charges for services went from \$22.7 million in fiscal year 2006 to \$24.4 million in fiscal year 2007. The increase in charges for services within Business-Type Activities represents a timing difference resulting from the resolution of pending litigation in the prior fiscal year.

Financial Analysis of the Fund Financial Statements

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$136.3 million, an increase of \$8.2 million from the prior year. Due to the nature of the total combined unreserved fund balance, only 31.8% of this total amount (which is the \$29.2 million General Fund unreserved fund balance, the \$14.1 million Capital Projects Funds unreserved fund balance and the \$3 thousand Permanent Trust Funds unreserved fund balance) constitutes unreserved fund balance that is available for spending at the City's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) \$100.6 million to liquidate contracts and purchase orders of the prior period; 2) \$661,000 for endowments.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved (and total) fund balance of the general fund was \$29.2 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved (and total) fund balance represents 11.7% of total general fund expenditures. For fiscal year ended June 30, 2007 there were no amounts reserved for general fund encumbrances.

As stated earlier, the fund balance of the City's general fund increased by \$426,579 during the current fiscal year. Key factors in this increase are as follows:

- ◆ The approved, modified budget for fiscal 2007 included a draw down of fund balance in the amount of \$2.0 million. This amount was necessary to cover the additional amount contributed towards the original budget of the Board of Education.
- ◆ General fund encumbrances decreased from \$1,627,588 in fiscal 2006 to \$0 in fiscal 2007.
- ◆ Amounts include within general fund results, were the following amounts realized by transactions related to Long-Term Investments:
 - ◆ Arrears Tax/Interest Collections \$1.9 million
 - ◆ Sale of City assets \$1.7 million
 - ◆ In addition, foreclosure action increased Net Assets by \$6.7 million
- ◆ Arrears Tax – Legal Settlement account reflects a settlement of the final material Assessment Appeals case. This resulted in \$2,056,735, previously recorded in prior years as tax collections to be reclassified from arrears taxes and credited toward the respective properties' current years taxes.

The Capital Bond Issue Fund has a total fund balance of \$96.1 million up from \$91.2 million in the prior year. The change in fund balance can be explained by the timing of resources into and out of this fund for ongoing capital projects.

The Other Governmental Funds have a total fund balance of \$10.2 million, up from \$8.0 million in the prior year.

Proprietary funds. The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the proprietary fund consisting of the Water Pollution Control Authority were \$72.5 million, as compared to \$70.7 million in the prior year.

The unrestricted net assets of the Water Pollution Control Authority were \$196,996. The Water Pollution Control Authority experienced operating revenues of \$23.2 million from user fees. There was a total net gain for the WPCA of \$557,476 before capital contributions of \$1,156,324. The change in net assets for the fiscal year ended June 30, 2007 was \$1,713,800.

General Fund Budgetary Highlights

The difference between the original budget and final amended budget for revenues and other financing sources was \$7,397,669. The additional larger appropriations approved during the year are summarized below.

- ◆ The Education Department's budget was increased by \$2.4 million, due to additional State revenue that the City received in fiscal year 2007.
- ◆ General government budget was increased by \$2.0 million; this additional appropriation covered increased pension/benefit expenditures, miscellaneous other departments increased by \$.4 million to cover additional expenditures.
- ◆ Protection of person and property was increased by \$4.1 million, this additional appropriation covered increased overtime expense.
- ◆ Public facilities increased by \$.7 million, as a result of increased cost of utilities.
- ◆ Other financing uses decreased \$2.2 million due to the reallocation of incurred expenditures.

During the year, actual revenues and other financing sources on a budgetary basis were \$457 million. This was approximately \$5.3 million over the modified budgetary estimate. Actual tax revenues were \$5.2 million over budget because current tax collections were greater than anticipated. A legal settlement of a tax appeal case during the year required a reduction of \$1.9 million of arrears taxes collected previously. Actual intergovernmental revenue was \$613,000 under budgetary estimates primarily due to less than anticipated revenues granted to the city through various state programs. Investment income was approximately \$827,000 more than the \$1,200,000 that had been budgeted. These overages in revenues were offset by revenue categories that fell short of budget. Parks and Recreation revenue was under budget by \$652,000 primarily due to the ongoing construction at the Fairfield Wheeler Golf Course. Town Clerk fees were under budget to the reduction of fees associated with property transfers.

Actual expenditures on a budgetary basis and other financing uses totaled \$453.1 million, which were less than actual revenues and other financing sources on a budgetary basis by \$4,054,167. The fiscal year 2007 modified budget included a planned appropriation of fund balance of \$2,000,000.

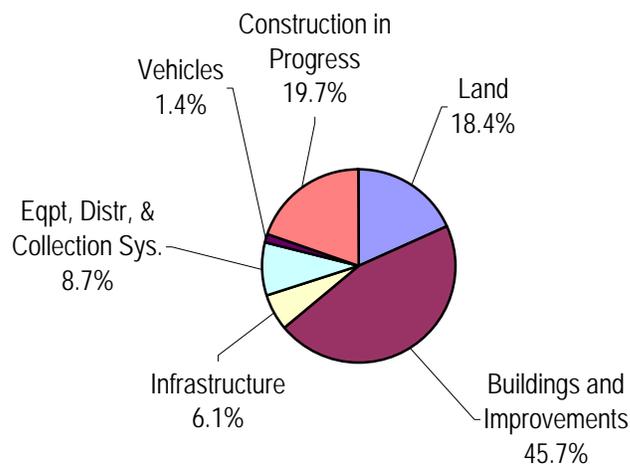
Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities, as of June 30, 2007, amounted to \$722.4 million, net of accumulated depreciation. This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, sewers and bridges. The total increase in the City's investment in capital assets for the current fiscal year was \$111.5 million.

City of Bridgeport, Connecticut
Capital Assets (net of accumulated depreciation)
(000's)

	June 30, 2007			June 30, 2006		
	Primary Government			Primary Government		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
Land	\$ 132,575	\$ -	\$ 132,575	\$ 111,020	\$ -	\$ 111,020
Buildings and Improvements	265,117	64,673	329,790	133,520	68,588	202,108
Infrastructure	44,092	-	44,092	43,057	-	43,057
Eqpt, Distr, & Collection Sys.	7,679	55,445	63,124	8,110	56,017	64,127
Vehicles	10,237	148	10,385	5,877	87	5,964
Construction in Progress	136,416	6,013	142,429	182,751	1,907	184,658
Total	\$ 596,116	\$ 126,279	\$ 722,395	\$ 484,335	\$ 126,599	\$ 610,934

**City of Bridgeport Capital Assets - Primary Government
June 30, 2007**



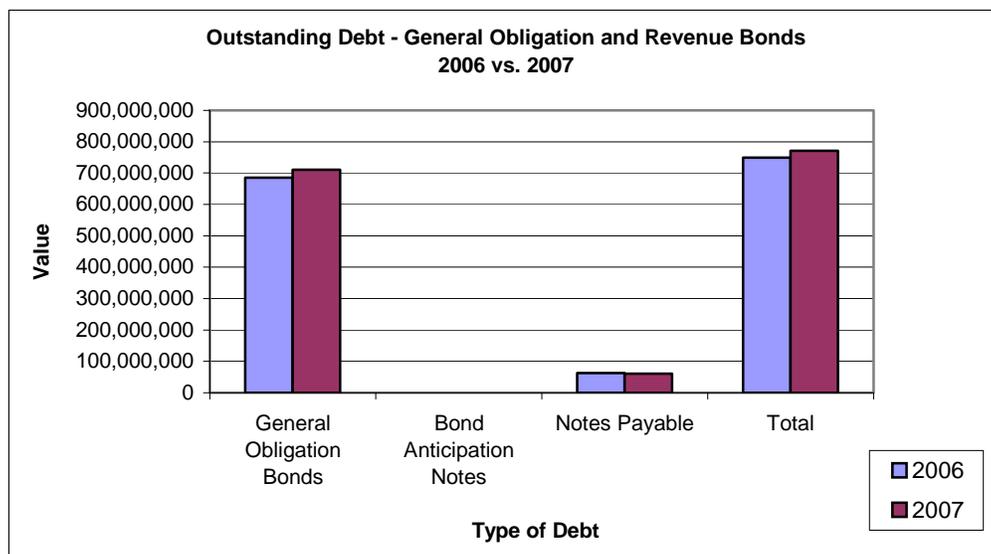
Major capital asset events during the current fiscal year included the following:

- ◆ Construction, improvements and renovations to school buildings and facilities.
- ◆ Continued rehabilitation of playgrounds and athletic fields.
- ◆ Infrastructure improvements including roads, bridges, and sanitary and sewer projects.
- ◆ Acquisition of parcels for ongoing city development projects.

Additional information on the City's capital assets can be found in Note 8 on pages 58-59 of this report.

**City of Bridgeport, Connecticut
Outstanding Debt
General Obligation Bonds and Notes**

	June 30, 2007			June 30, 2006		
	Government Activities	Business-Type Activities	Total	Government Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 710,460,000	\$ 490,000	\$ 710,950,000	\$ 685,480,000	\$ -	\$ 685,480,000
Notes Payable	6,335,000	54,341,807	60,676,807	6,668,000	56,559,000	63,227,000
Totals	\$ 716,795,000	\$ 54,831,807	\$ 771,626,807	\$ 692,148,000	\$ 56,559,000	\$ 748,707,000



Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$710,950,000. 100% of this debt is backed by the full faith and credit of the City government. The Water Pollution Control Authority is expected to reimburse the city \$490,000 through user fee charges, the bonds for WPCA capital projects were issued through the city in June 2007.

The City's total debt increased by \$22.9 million during fiscal 2007.

Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Rating Group ("Standard & Poor's") and FitchRatings, Inc ("Fitch") have each assigned their municipal bond ratings of "Aaa", "AAA", and "AAA" respectively to the City with the understanding that there is an insurance policy insuring the payment when due of the principal and interest of the bonds. Moody's, Standard & Poor's and Fitch have assigned the underlying ratings for the City's uninsured general obligation debt as "Baa1", "A-" and "A-", respectively.

The overall statutory debt limit for the City is equal to seven times annual receipts from taxation or \$1.58 billion. As of June 30, 2007, the City recorded long-term debt of \$716.8 million related to Governmental Activities and \$54.8 million related to Business-Type Activities, well below its statutory debt limit.

Additional information on the City of Bridgeport's long-term debt can be found in Note 10 on pages 61-65 of this report.

Economic Factors and Next Year's Budgets and Rates

The City, surrounding towns, and the State have not been immune from the effects of the national economic downturn but all are starting to show a small decline in their unemployment rate. As of June 30, 2007, the unemployment rate for the Bridgeport Labor Market Area was 6.60%, down from 6.65% in the prior year. Connecticut's overall unemployment rate increased to 4.35% from 4.30%, compared with the same period for the previous year.

GASB Statements 43 and 45 Requirements

The City is in the process of complying with the requirements of GASB Statements 43 and 45, which will require municipalities and other governmental entities to undertake an actuarial evaluation of their other post-employment benefit ("OPEB") plans and include information concerning the valuation of such plans in their financial statements. The City will be required to comply with the reporting requirements of GASB 45 beginning with the 2007-2008 fiscal year. Currently, the City funds its OPEB costs on a pay-as-you-go basis. For the 2007-2008 fiscal year \$24,002,212 is budgeted for OPEB costs. The City has retained an outside actuarial consulting firm to prepare an initial valuation of its OPEB plans. Based on this initial assessment, the City's estimated unfunded Actuarial Accrued Liability for its OPEB plans is \$874,662,000, and the estimated Annual Required Contributions to pay Normal Costs and amortize the unfunded Actuarial Accrued Liability over a 30 year period ranges from \$32,355,000 to \$47,314,000, depending upon whether or not the City determines to advance fund all or any portion of the accrued liability and through a Trust Fund or Reserve Fund. Such estimates are subject to revision as the valuation is developed.

Requests for Information

The financial report is designed to provide a general overview of the City's finances for all those with an interest in government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance at 45 Lyon Terrace, Bridgeport, CT 06604.

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Basic Financial Statements

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF NET ASSETS

June 30, 2007

	Governmental Activities	Business-Type Activities	Total*
Assets			
Current Assets:			
Cash and cash equivalents	\$ 170,958,297	\$ 1,118,250	\$ 172,076,547
Temporarily restricted cash and cash equivalents	2,500,000	-	2,500,000
Investments	2,028,011	-	2,028,011
Receivables, net of allowances for collection losses:			
Property taxes	36,466,420	-	36,466,420
Sewer user fees and liens	-	5,844,164	5,844,164
Federal and state governments	52,307,837	-	52,307,837
Other	5,139,989	858,301	5,998,290
Internal balances	4,627,855	(4,917,997)	(290,142)
Total current assets	274,028,409	2,902,718	276,931,127
Noncurrent:			
Temporarily restricted cash and cash equivalents	-	582,299	582,299
Deferred charges, net of accumulated amortization	18,758,983	-	18,758,983
Capital assets, not being depreciated	268,990,904	6,013,182	275,004,086
Capital assets, being depreciated, net of depreciation	327,124,768	120,265,794	447,390,562
Federal and state governments receivable	15,919,998	-	15,919,998
Pension assets	91,388,557	-	91,388,557
Other	324,464	-	324,464
Total noncurrent assets	722,507,674	126,861,275	849,368,949
Total assets	996,536,083	129,763,993	1,126,300,076
Liabilities			
Current Liabilities:			
Accounts payable and accrued expenses	76,275,870	2,505,083	78,780,953
Current maturities of long-term obligations	40,766,701	4,789,995	45,556,696
Claims incurred but not reported	7,704,603	-	7,704,603
Unearned revenues	25,246,375	-	25,246,375
Accrued interest payable	17,443,511	-	17,443,511
Total current liabilities	167,437,060	7,295,078	174,732,138
Noncurrent liabilities:			
Due in more than one year	785,041,131	50,041,812	835,082,943
Total liabilities	952,478,191	57,336,890	1,009,815,081
Net assets			
Investment in capital assets, net of related debt	209,090,671	71,647,808	280,738,479
Restricted for:			
Debt service and capital improvements	-	582,299	582,299
Permanent funds, expendable	108,681	-	108,681
Permanent funds, non-expendable	552,531	-	552,531
Self-insured claims	2,500,000	-	2,500,000
Unrestricted	(168,193,991)	196,996	(167,996,995)
Total net assets	\$ 44,057,892	\$ 72,427,103	\$ 116,484,995

The notes to the financial statements are an integral part of this statement.

* After internal receivables and payables have been eliminated.

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Charges for Services</u>	<u>Operating</u>	<u>Capital</u>	<u>Primary Government</u>		
			<u>Grants and Contributions</u>	<u>Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Primary government:							
Governmental activities:							
General government	\$ (56,845,741)	\$ 11,067,469	\$ -	\$ -	\$ (45,778,272)	-	\$ (45,778,272)
Protection of person and property	(84,118,885)	4,905,692	5,698,748	2,500,000	(71,014,445)	-	(71,014,445)
Conservation of health	(20,437,426)	1,991,980	-	-	(18,445,446)	-	(18,445,446)
Public facilities	(33,603,711)	10,182,342	-	16,809,428	(6,611,941)	-	(6,611,941)
Education	(316,003,326)	1,276,551	215,343,447	64,067,911	(35,315,417)	-	(35,315,417)
Parks and recreation	(6,716,385)	1,518,799	-	-	(5,197,586)	-	(5,197,586)
Special services	(25,036,847)	1,061,769	41,522,707	-	17,547,629	-	17,547,629
Interest on long-term debt	(40,704,065)	-	-	-	(40,704,065)	-	(40,704,065)
Total governmental activities	(583,466,386)	32,004,602	262,564,902	83,377,339	(205,519,543)	-	(205,519,543)
Business-type activities:							
Water Pollution Control Authority	(23,879,708)	24,437,184	-	1,156,324	\$ -	1,713,800	1,713,800
Total primary government	\$ (607,346,094)	\$ 56,441,786	\$ 262,564,902	\$ 84,533,663	(205,519,543)	1,713,800	(203,805,743)
General revenues:							
Property taxes					226,471,874	-	226,471,874
Grants and contributions not restricted to specific programs					35,588,659	-	35,588,659
Unrestricted investment earnings					8,197,907	-	8,197,907
Total general revenues					270,258,440	-	270,258,440
Change in net assets					64,738,897	1,713,800	66,452,697
Net assets (deficits) - beginning					(20,681,005)	70,713,303	50,032,298
Net assets - ending					\$ 44,057,892	\$ 72,427,103	\$ 116,484,995

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

BALANCE SHEET - GOVERNMENT FUNDS

June 30, 2007

	General	Board of Education	Capital Bond Issue	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 38,239,793	\$ -	\$ 121,876,678	\$ 10,358,504	\$ 170,474,975
Investments	-	-	-	2,028,011	2,028,011
Receivables, net of allowances for collection losses:					
Property taxes	36,466,420	-	-	-	36,466,420
Intergovernmental	38,308,479	-	1,329,103	28,590,253	68,227,835
Other	3,471,804	-	669,868	1,237,620	5,379,292
Due from other funds	22,973,954	804,319	9,256,998	8,070,542	41,105,813
Total assets	139,460,450	804,319	133,132,647	50,284,930	323,682,346
Liabilities					
Accounts payable	26,204,219	-	22,456,112	6,917,888	55,578,219
Accrued liabilities	16,014,926	-	370,136	1,115,742	17,500,804
Due to other funds	16,233,590	-	14,243,197	7,996,875	38,473,662
Deferred revenues	50,590,581	-	-	-	50,590,581
Unearned revenues	1,176,028	-	-	24,070,347	25,246,375
Total liabilities	110,219,344	-	37,069,445	40,100,852	187,389,641
Fund balances:					
Reserved for:					
Encumbrances	-	804,319	85,984,167	13,873,751	100,662,237
Reserve for endowments- permanently restricted	-	-	-	661,212	661,212
Unreserved (deficit), reported in:					
General fund	29,241,106	-	-	-	29,241,106
Special revenue funds	-	-	-	(8,379,055)	(8,379,055)
Capital projects funds	-	-	10,079,035	4,025,044	14,104,079
Permanent trust funds	-	-	-	3,126	3,126
Total fund balances	29,241,106	804,319	96,063,202	10,184,078	136,292,705
Total liabilities and fund balances	\$ 139,460,450	\$ 804,319	\$ 133,132,647	\$ 50,284,930	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets, net of accumulated depreciation of \$194,144,440, purchased in governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the City as a whole.	596,115,672
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	50,590,581
Pension assets	91,388,557
Internal service fund is used by management to charge the costs of City and BOE Health Insurance and Worker's Compensation. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(5,837,263)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(824,492,360)

Net assets of governmental activities

\$ 44,057,892

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended June 30, 2007

	General	Board of Education	Capital Bond Issue	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 221,313,850	\$ -	\$ -	\$ -	\$ 221,313,850
Property tax delinquency fees	7,279,783	-	-	-	7,279,783
Intergovernmental	203,566,550	18,329,048	65,689,434	95,760,839	383,345,871
Fees, permits and licenses	20,844,855	-	-	-	20,844,855
Interest	2,027,212	-	4,065,277	2,091,511	8,184,000
Other	6,379,669	-	3,548,310	2,412,041	12,340,020
Total revenues	461,411,919	18,329,048	73,303,021	100,264,391	653,308,379
EXPENDITURES					
Current:					
General government	77,901,652	-	-	228,357	78,130,009
Protection of person and property	63,938,653	-	-	-	63,938,653
Conservation of health	11,366,545	-	-	6,840,391	18,206,936
Public facilities	26,303,916	-	-	-	26,303,916
Charities and hospitals	174,432	-	-	-	174,432
Education	-	229,289,146	-	50,299,011	279,588,157
Parks and recreation	5,969,788	-	-	-	5,969,788
Special services	1,661,831	-	-	22,804,472	24,466,303
Debt service:					
Principal retirements	22,910,000	-	-	669,000	23,579,000
Interest and other charges	39,494,106	-	2,104,789	253,644	41,852,539
Capital outlay	-	-	114,252,420	16,984,744	131,237,164
Total expenditures	249,720,923	229,289,146	116,357,209	98,079,619	693,446,897
Revenues over (under) expenditures	211,690,996	(210,960,098)	(43,054,188)	2,184,772	(40,138,518)
OTHER FINANCING SOURCES (USES)					
Transfers in	500,000	211,764,417	-	-	212,264,417
Transfers out	(211,764,417)	-	(500,000)	-	(212,264,417)
Bonds issued	-	-	47,890,000	-	47,890,000
Premiums on bond issuance	-	-	482,104	-	482,104
Total other financing sources (uses)	(211,264,417)	211,764,417	47,872,104	-	48,372,104
Net change in fund balances	426,579	804,319	4,817,916	2,184,772	8,233,586
FUND BALANCES, beginning	28,814,527	-	91,245,286	7,999,306	128,059,119
FUND BALANCES, ending	\$ 29,241,106	\$ 804,319	\$ 96,063,202	\$ 10,184,078	\$ 136,292,705

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2007**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – total governmental funds	\$ 8,233,586
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	111,780,900
Change in pension assets.	(6,192,779)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(4,064,681)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(22,808,095)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(16,372,771)
The change in net assets in governmental activities of internal service fund is reported with governmental activities.	<u>(5,837,263)</u>
Change in net assets of governmental activities	<u>\$ 64,738,897</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN UNRESERVED FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Property taxes	\$ 220,723,254	\$ 225,321,784	\$ 228,593,633	\$ 3,271,849
Intergovernmental	197,473,483	197,473,483	196,860,248	(613,235)
Fees, permits and licenses	19,794,052	20,593,191	20,844,860	251,669
Interest	1,200,000	1,200,000	2,027,212	827,212
Other	4,814,420	4,814,420	6,379,670	1,565,250
Transfers in	500,000	500,000	500,000	-
Appropriation of fund balance	-	2,000,000	2,000,000	-
Total revenue and other financing sources	444,505,209	451,902,878	457,205,623	5,302,745
EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES				
General government	67,826,493	69,804,259	72,648,352	(2,844,093)
Protection of person and property	60,443,242	64,542,718	63,931,106	611,612
Conservation of health	4,940,698	5,282,166	4,659,891	622,275
Public facilities	26,486,862	27,173,529	25,839,404	1,334,125
Charities and hospitals	171,383	170,934	174,432	(3,498)
Education	208,775,747	211,153,172	210,951,050	202,122
Parks and recreation	5,579,366	5,687,604	5,962,111	(274,507)
Special services	1,676,714	1,725,506	1,661,830	63,676
Debt service	64,445,225	64,445,225	62,404,106	2,041,119
Other financing uses	4,087,704	1,845,990	4,919,174	(3,073,184)
Total expenditures, encumbrances and other financing uses	444,433,434	451,831,103	453,151,456	(1,320,353)
Revenue and other financing sources over expenditures, encumbrances and other financing uses	\$ 71,775	\$ 71,775	4,054,167	\$ 3,982,392
UNRESERVED FUND BALANCE, beginning			24,686,939	
Less appropriation of fund balance for budgetary presentation			(2,000,000)	
Decrease in reserve for self-insured claims			2,500,000	
UNRESERVED FUND BALANCE, ending			\$ 29,241,106	

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF NET ASSETS (DEFICITS) - PROPRIETARY FUNDS

June 30, 2007

	Business Type Activity	Governmental Activities
	Enterprise Fund	Internal Service Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,118,250	\$ 483,322
Receivables, net of allowances for collection losses:		
Unbilled usage charges	5,844,164	-
Other receivables	858,301	85,161
Due from other funds	109,082	1,995,704
Total current assets	7,929,797	2,564,187
Noncurrent assets:		
Restricted cash and cash equivalents	582,299	2,500,000
Capital assets, not being depreciated	6,013,182	-
Capital assets, being depreciated, net of accumulated depreciation	120,265,794	-
Total noncurrent assets	126,861,275	2,500,000
Total assets	134,791,072	5,064,187
LIABILITIES		
Current liabilities:		
Current portion of long-term debt	4,789,995	-
Accounts payable and accrued expenses	1,702,733	3,196,847
Accrued interest payable	19,193	-
Construction contracts payable	778,157	-
Due to other funds of the City of Bridgeport	5,027,079	-
Deferred revenue	5,000	-
Claims incurred but not reported	-	7,704,603
Total current liabilities	12,322,157	10,901,450
Noncurrent liabilities:		
Long-term debt less current portion	50,041,812	-
Total noncurrent liabilities	50,041,812	-
Total liabilities	62,363,969	10,901,450
NET ASSETS (DEFICITS)		
Invested in capital assets, net of related debt	71,647,808	-
Restricted for debt service and capital improvements	582,299	-
Restricted for self-insured claims	-	2,500,000
Unrestricted	196,996	(8,337,263)
Total net assets (deficits)	\$ 72,427,103	\$ (5,837,263)

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND
NET ASSETS (DEFICITS) - PROPRIETARY FUNDS
Year Ended June 30, 2007**

	Business Type Activity	Governmental Activities
	Enterprise Fund	Internal Service Fund
OPERATING REVENUES		
Sewer user fees	\$ 23,188,288	\$ -
Charges for services	-	76,295,326
Total operating revenues	<u>23,188,288</u>	<u>76,295,326</u>
OPERATING EXPENSES		
Operation and maintenance	16,355,405	-
Provision for doubtful accounts	413,633	-
Depreciation	6,035,499	-
Claims incurred	-	82,132,589
Total operating expenses	<u>22,804,537</u>	<u>82,132,589</u>
Operating income (loss)	<u>383,751</u>	<u>(5,837,263)</u>
NONOPERATING INCOME (EXPENSES)		
Interest income	127,043	-
Interest expense	(1,075,171)	-
Other income	1,121,853	-
Total nonoperating income	<u>173,725</u>	<u>-</u>
Income (loss) before capital contributions	557,476	(5,837,263)
Capital contributions	<u>1,156,324</u>	<u>-</u>
Change in net assets (deficits)	1,713,800	(5,837,263)
FUND NET ASSETS, beginning	<u>70,713,303</u>	<u>-</u>
FUND NET ASSETS (DEFICITS), ending	<u>\$ 72,427,103</u>	<u>\$ (5,837,263)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year Ended June 30, 2007

	Business Type Activity	Governmental Activities
	Enterprise Fund	Internal Service Fund
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 21,267,428	\$ -
Payments to suppliers	(15,324,083)	-
Payments to employees	(1,047,227)	-
Other income	1,121,853	-
Cash received from charges for services	-	74,214,461
Cash paid to vendors and beneficiaries	-	(71,231,139)
Net cash provided by operating activities	6,017,971	2,983,322
Cash Flows From Capital and Related Financing Activities		
Principal payments on debt	(4,789,365)	-
Interest paid on debt	(1,107,298)	-
Proceeds from notes payable	3,061,685	-
Proceeds received on capital grants	1,156,324	-
Purchase of capital assets	(5,683,643)	-
Net cash used in capital and related financing activities	(7,362,297)	-
Cash Flows From Investing Activities		
Interest received on investments	127,043	-
Net (decrease) increase in cash and cash equivalents	(1,217,283)	2,983,322
Cash and Cash Equivalents		
Beginning	2,917,832	-
Ending	\$ 1,700,549	\$ 2,983,322
Reconciliation to Statement of Net Assets		
Cash and cash equivalents	\$ 1,118,250	\$ 483,322
Restricted cash and cash equivalents	582,299	2,500,000
	\$ 1,700,549	\$ 2,983,322
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating income (loss)	\$ 383,751	\$ (5,837,263)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Other income	1,121,853	-
Depreciation	6,035,499	-
Provision for doubtful accounts	413,633	-
Changes in assets and liabilities:		
Increase in accounts receivable and unbilled usage charges	(1,475,337)	-
Increase in other receivables	(445,523)	(85,161)
Decrease (increase) in due from other funds of the City of Bridgeport	16,572	(1,995,704)
Increase in accrued expenses	854,134	-
Decrease in due to other funds of the City of Bridgeport	(886,611)	-
Increase in claims payable	-	7,704,603
Increase in accounts payable	-	3,196,847
Net cash provided by operating activities	\$ 6,017,971	\$ 2,983,322

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2007

	Pension Trust Funds	Agency Fund
ASSETS		
Cash and cash equivalents	\$ 30,816,308	\$ 292,244
Investments, at fair value		
U.S. Government Agency Bonds	5,646,642	-
U.S. Government Security Bonds	29,888,973	-
Corporate Bonds	40,157,834	-
Common Stocks	74,703,075	-
Private Hedge Fund	29,819,926	-
Mutual Funds - Equities	34,493,727	-
Equity Securities	157,625,572	-
International Bonds	642,726	-
Total investments	372,978,475	-
Due from other funds of the City of Bridgeport	290,142	-
Contributions receivable	3,905,177	-
Total assets	407,990,102	292,244
LIABILITIES		
Other liabilities	20,327	-
Due to student groups	-	292,244
	20,327	292,244
Net Assets	\$ 407,969,775	\$ -

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

Year Ended June 30, 2007

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer	\$ 9,105,895
Plan members	2,393,566
Annuity proceeds	3,603,388
Total contributions	<u>15,102,849</u>
Investment Income	
Net appreciation in fair value of investments	45,937,898
Interest and dividends	8,990,922
	<u>54,928,820</u>
Less investment expenses:	
Investment management fees	<u>(724,966)</u>
Net investment income	<u>54,203,854</u>
Total additions	69,306,703
Deductions	
Benefits	<u>36,097,193</u>
Change in net assets	33,209,510
Net Assets	
Beginning of year	<u>374,760,265</u>
End of year	<u><u>\$407,969,775</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The City of Bridgeport, Connecticut (the "City") was founded in 1639, incorporated as a town in 1821, and as a city in 1836. The City operates under a Mayor - City Council form of government.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in the Codification, Section 2100, has been considered and as a result, there are no agencies or entities that should be, but are not, combined with the basic financial statements of the City.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported, instead, as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2007

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Intergovernmental grants and entitlements and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, except for debt service expenditures, and expenditures related to compensated absences and claims and judgments which are recorded only when payment is due (matured).

Property taxes when levied for, intergovernmental revenues when eligibility requirements are met, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable only when cash is received by the City.

The City reports the following major governmental funds.

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Board of Education Fund accounts for operations of the Board of Education, except those required to be accounted for in another fund.

The Capital Bond Issue Fund accounts for various construction projects that are funded out of proceeds from the capital bond issues and other sources of revenue.

The City reports the following major proprietary fund:

The Water Pollution Control Authority of the City of Bridgeport (the "WPCA") accounts for the activities of the two sewage treatment plants, sewage pumping stations and collection systems of the City.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2007

Additionally, the City reports the following fund types:

The pension trust funds account for the activities of the City's four defined benefit pension plans, which accumulate resources for pension benefit payments to qualified employees.

The agency fund accounts for monies held as a custodian for outside groups.

The internal service fund accounts for the revenues and related expenses for the health self-insurance plan for the employees and retirees of the City.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the WPCA and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the WPCA are charges to customers for user fees. Operating expenses include the cost of operations and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Accounting estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2007

Cash and cash equivalents

The City considers all highly liquid short-term investment funds, including those that are classified as restricted assets, and all certificates of deposit and treasury bills with an original maturity of three months or less, to be cash equivalents.

Investments

Investments are primarily stated at fair value using quoted market prices. The majority of the City's investments are in the General Fund and Pension Trust Funds. The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The balance of the pooled fixed income investments were invested in a pool similar to a 2a-7 investment pool. The fair value of the position in the pool is the same as the value of the pool shares. These investments are stated at amortized cost.

The City also invests in hedge funds, commonly known as alternative investments. The City's investment policy allows for such investments. All assets are carried at fair value based upon the underlying assets of the funds. Losses are incurred only up to the assets invested.

Property taxes

Property taxes are assessed as of October 1, are levied on the following July 1, and are due in two installments - July 1 and the following January 1. Liens are filed on the last day of the fiscal year.

Capital Assets

In the government-wide and proprietary fund financial statements, capital assets include property, plant, equipment and infrastructure assets. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Purchased and constructed assets are recorded at cost. Donated capital assets are recorded at fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2007

incurred by the WPCA during the current fiscal year was approximately \$1,107,000. Of this amount, \$32,000 was included as part of the cost of capital assets under construction in connection with wastewater treatment facilities' construction projects.

Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Vehicles	3-5
Office equipment	5
Computer equipment	5

In the governmental fund financial statements, capital assets are reported as expenditures and no depreciation expense is reported.

Claims and judgments

This liability relates to the City's self-insurance programs. In the government-wide and proprietary fund financial statements, the obligation consists of claims incurred and incurred but not reported for medical self insurance, the estimated loss for probable general liability matters and an actuarial estimate for claims incurred and incurred but not reported for workers compensation claims. A liability and an expenditure is recognized in the governmental fund financial statements only when payment is due. The liability is typically paid out of the general fund.

Compensated absences

City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability is typically paid out of the general fund.

Long-term obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2007

premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

The governmental fund financial statements recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pension accounting

Pension Trust Funds:

Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Governmental Funds:

The net pension obligation (asset), the cumulative difference between annual pension cost and the City's contributions to the plans since 1986, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 27. Annual pension cost expenditures are recognized when they are paid or are expected to be paid with current available resources. The liability is typically paid out of the general fund. The net pension (asset) obligation is recorded as a noncurrent asset/liability in the government-wide financial statements.

Fund equity and net assets

In the Government-Wide Financial Statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Assets – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets (Deficit) – This category represents the amount not restricted for any project or other purpose or the deficiency that will need to be provided for from future operations.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

In the fund financial statements, fund balances of governmental funds are classified in two separate categories. The two categories, and their general meanings, are as follows:

Reserved fund balance - indicates that portion of fund equity which is not available for appropriation or has been legally segregated for specific purposes.

Unreserved fund balance (deficit) - indicates that portion of fund equity which is available for appropriation and expenditure in future periods or the deficiency that will require funding from future operations.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance as they do not constitute expenditures or liabilities.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(824,492,360) difference are as follows:

Bonds and notes payable	\$ (716,795,000)
Deferred charges and premiums related to refunding	4,830,413
Accrued interest payable	(17,443,511)
Capital leases payable	(8,247)
Workers compensation, medical and litigation claims	(58,036,257)
Compensated absences	(34,464,263)
Net pension obligation	(2,322,101)
Landfill closure costs	<u>(253,394)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u><u>\$ (824,492,360)</u></u>

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$111,780,900 difference are as follows:

Capital outlay	\$ 123,562,684
Depreciation expense	<u>(11,781,784)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 111,780,900</u></u>

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$(22,808,095) difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds and notes	\$ (48,226,000)
Premiums, discounts, loss on refunding and issue costs	1,788,538
Principal repayments:	
General obligation debt and notes	23,579,000
Capital leases	<u>50,367</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ (22,808,095)</u></u>

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.” The details of this \$(16,372,771) difference are as follows:

Compensated absences	\$ (1,209,958)
Workers compensation, medical and litigation claims	(14,375,045)
Claims and judgments	(52,799)
Net change in other payables and accruals	168,577
Amortization of premiums, issue costs and gain on refunding	<u>(903,546)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ (16,372,771)</u></u>

Note 3. Budgets and Budgetary Accounting

The City follows the procedures outlined below in establishing its General Fund budget:

- ◆ The Mayor shall submit to the City Council, no later than 120 days before July 1, the proposed operating and capital budgets.
- ◆ The Mayor shall submit to the City Council, with the proposed budgets, a certificate that the budget is consistent with a three-year financial plan, and that operating within the budget is feasible.
- ◆ Expenditures may not legally exceed appropriations at the department level (legal level of control).
- ◆ Budgets must include appropriations which, among others, allow funding of expenditures required by law, those for debt service, and for elimination of prior deficits, as well as those properly attributable to the fiscal year.
- ◆ Budgeted revenues cannot exceed certain actual amounts of prior year's revenues unless justification for each item have been approved by the City Council.
- ◆ Budgets must include schedules of cash disbursements and cash receipts for the fiscal year on a monthly basis, with sufficient detail for City Council to determine estimated need for cash-flow borrowings during the year.
- ◆ The City Council shall approve the three year financial plan, with the budget forming the first year of the financial plan, once it determines that such plan is complete.
- ◆ Transfers and supplemental appropriations of budgeted amounts that change a department's total budgeted expenditures must be adopted by resolutions of the City Council. Supplemental appropriations totaling \$7,397,669 were adopted during the year ended June 30, 2007. In addition, per City Ordinance, all requests for transfers of \$10,000 or more in the aggregate in any one fiscal year between sub-line items must also be requested through

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

the City Council with appropriate documentation. Also, any transfers between line item accounts (salary, overtime, fringe benefits and operating and special services) shall be submitted with appropriate documentation, for Council approval regardless of the dollar amount.

In the General Fund and Board of Education Fund, encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order or other commitment is issued and, accordingly, encumbrances outstanding at year-end are recognized in budgetary reports as expenditures of the current year. Generally, all unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the next year.

General governmental revenues and expenditures accounted for in the General Fund and Board of Education Fund are controlled by formal integrated budgetary accounting systems in accordance with various legal requirements which govern the City's operations. The City is required to adopt a budget for its General Fund. The City is not required to prepare budgets for special revenue, capital project, proprietary and trust funds. Accordingly, the budget and actual comparisons are only presented for the General Fund.

A reconciliation of General Fund and Board of Education Fund operations and fund balance presented in the statement of revenues, expenditures and changes in fund balance and the amounts presented on the budgetary basis is as follows:

	Revenues and Transfers In	Expenditures and Transfers Out
Balance, GAAP basis fund financial statements	\$ 480,240,967	\$ 479,010,069
State Teacher's Retirement payments made by State Department of Education on behalf of the City, not recognized for budgetary purposes	(13,585,000)	(13,585,000)
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	(6,706,295)	(6,706,295)
Excess cost payments made by State Department of Education on behalf of the City, not recognized for budgetary purposes	(4,744,049)	(4,744,049)
Appropriations of fund balance recognized as other financial source for budgetary purposes	2,000,000	-
Encumbrances		
June 30, 2006	-	(1,627,588)
June 30, 2007	-	804,319
Balance, budgetary basis	<u>\$ 457,205,623</u>	<u>\$ 453,151,456</u>

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2007

Classifications of certain revenues, expenditures and transfers in (out) under GAAP differ from classifications used for budgetary purposes.

During the year ended June 30, 2007, the following line items overexpended their appropriations:

	Final	Expenditures, Encumbrances and	Balance
	Appropriations	Other Financing Uses	Overexpended
BOE administration	\$ 2,174,862	\$ 2,196,217	\$ (21,355)
Building department	682,290	708,240	(25,950)
City attorney	2,924,711	4,050,668	(1,125,957)
Civil service commission	994,113	1,075,026	(80,913)
Construction management service	-	388,215	(388,215)
Dental hygiene	329,029	341,013	(11,984)
Fringe benefits	3,598,000	3,718,614	(120,614)
Grants personnel	35,917,015	35,981,345	(64,330)
Housing code enforcement	194,428	194,774	(346)
Instruction	142,803,584	143,670,433	(866,849)
Labor relations	517,078	582,947	(65,869)
Other financing uses	1,845,990	4,919,174	(3,073,184)
Parks department	2,731,969	3,363,157	(631,188)
Pensions	9,519,069	11,935,902	(2,416,833)
Registrar of voters	398,204	407,796	(9,592)
Social services	170,934	174,432	(3,498)
Tax collector	1,078,733	1,628,359	(549,626)
Zoning board of appeals	51,394	52,085	(691)

Special Revenue Funds

The City does not have legally adopted annual budgets for its special revenue funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. Such budgets are non-lapsing and may comprise more than one fiscal year.

Capital Projects Fund

Legal authorization for expenditures of the capital projects fund is provided by the related bond ordinances. Capital appropriations do not lapse until completion of the applicable projects.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

Note 4. Cash, Cash Equivalents and Investments

Deposits: The City has a policy that deposits can include demand and savings accounts and certificates of deposits. The City's custodial credit risk policy follows the State of Connecticut requirement that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Investments: The investment and credit risk policies of the City conform to the policies as set forth by the State of Connecticut. The City policy allows investments in the pension funds in the following: (1) equity securities, including exchange-traded and over-the-counter common and preferred stocks, warrants, rights, convertible securities, depository receipts and shares, trust certificates, limited partnership interests, shares of other investment companies and real estate investment trusts and equity participations; (2) securities of certain foreign entities and securities quoted or denominated in foreign currencies; (3) fixed income securities, including bonds, notes, mortgage-related and asset-backed securities, CMOs, convertible securities, Eurodollar and Yankee dollar instruments, preferred stocks and money market instruments subject to approved issuance requirements and credit and diversification restrictions; (4)* fixed income securities that are within approved credit ratings; (5)* unrated securities of the U.S. Treasury and U.S. Government Agencies are permitted; (6)* money market funds and money market instruments of an investment grade commonly held in money market funds such as repurchase agreements, banker's acceptances, and commercial paper; (7)* SEC registered mutual funds and bank and insurance company commingled funds that invest in stocks and bonds; (8)* closed end SEC registered mutual funds that invest within the overall policy of allowable investments; (9) real estate properties determined to be appropriate for investment, including appropriate limited partnerships and real estate investment trusts; (10) futures contracts only when used by the Fund as a hedge against portfolio loss, or if used by an equity index fund as a temporary substitute for investment in equity securities, or if used by a debt index fund as a temporary substitute for investment in debt securities; and (11) notwithstanding other limitations included herein, assets may be invested in certain hedge fund investments subject to the guidelines set forth in the Supplemental Investment Policy Statement for Hedge Fund Investments that may be adopted by the Trustees. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund.

The City and the pension funds do not have a custodial credit risk policy for investments.

* Investments in the governmental funds are restricted to the investment types marked with an asterisk.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

The pension fund asset allocation parameters are as follows:

Equities	64.0%
Fixed Income	23.5%
Hedge Fund Investments	10.0%
Cash	2.5%

Interest Rate Risk: The City and pension funds have policies to limit their exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Concentrations: The City's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

Custodial Credit Risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2007, \$84,064,469 of the City's bank balance of \$84,808,671 was uninsured and uncollateralized.

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

Cash and investments of the City consist of the following at June 30, 2007:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 105,782,861
State of Connecticut Short-Term Investment Fund	65,822,553
Tax Exempt Proceeds Fund	34,369,740
Total cash and cash equivalents	<u>205,975,154</u>
Investments	
Permanent Trust Fund	
Mutual Funds	92,190
U.S. Government Securities	463,436 *
	<u>555,626</u>
Special Revenue Fund	
U.S. Government Securities	1,236,840 *
Mutual Funds	235,545 *
	<u>1,472,385</u>
Pension Trust Funds:	
U.S. Government Agencies	5,646,642 *
Corporate Bonds	40,157,834 *
U.S. Government Securities	29,888,973 *
Equity Securities	157,625,572 *
Common and Preferred Stocks	74,703,075 *
Mutual Funds	34,493,727
Private Hedge Fund	29,819,926
Alternative Investment	642,726
Total pension investments	<u>372,978,475</u>
Total investments	<u>375,006,486</u>
Total cash and investments	<u>\$ 580,981,640</u>

* These investments are uninsured and unregistered, with securities held by the counterparty's trust department or agent, but not in the City's name.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Assets

Cash and cash equivalents	\$ 172,076,547
Restricted cash and cash equivalents	3,082,299
Investments	2,028,011
	<u>177,186,857</u>

Fiduciary Funds:

Cash and cash equivalents	30,816,308
Investments	372,978,475
	<u>403,794,783</u>

Total cash and investments \$ 580,981,640

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the City's debt type investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
U.S. Government Agencies	\$ 5,646,642	\$ 63,757	\$ 1,912,350	\$ 3,241,932	\$ 428,603
Pooled Fixed Income	100,192,293	100,192,293	-	-	-
Corporate Bonds	40,157,834	1,875,020	11,806,239	14,088,919	12,387,656
U.S. Government Securities	31,589,249	6,706,728	8,320,607	7,753,829	8,808,085
TOTAL	<u>\$ 177,586,018</u>	<u>\$ 108,837,798</u>	<u>\$ 22,039,196</u>	<u>\$ 25,084,680</u>	<u>\$ 21,624,344</u>

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the minimum rating as required for each debt type investment.

Average Rating	Corporate Bonds	U.S. Government Agency Obligation	Pooled Fixed Income
AAA	\$ 15,486,269	\$ 3,249,374	\$ 65,822,553
AA+	-	-	-
AA	1,049,834	-	-
AA-	2,320,291	-	-
A+	2,646,868	-	-
A	7,102,345	-	-
A-	3,544,164	-	-
BBB+	1,086,538	-	-
BB+	-	-	-
BB	-	-	-
BBB	1,978,022	-	-
BBB-	-	-	-
Unrated	4,943,503	2,397,268	34,369,740
	<u>\$ 40,157,834</u>	<u>\$ 5,646,642</u>	<u>\$ 100,192,293</u>

Cash and cash equivalents are restricted for the following uses at June 30, 2007:

Proprietary Fund	
Self Insurance Programs	\$ 2,500,000
Enterprise Fund	
Debt Service and Capital Improvements	<u>582,299</u>
Total	<u>\$ 3,082,299</u>

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

Note 5. Receivables – Fund Basis

Receivables at June 30, 2007 for the City’s individual major funds and nonmajor and fiduciary funds in aggregate, including the applicable allowances for collection losses, are as follows:

	General	Capital Bond Issue	Enterprise	Nonmajor and Other Funds	Totals
Property taxes	\$ 57,342,007	\$ -	\$ -	\$ -	\$ 57,342,007
Sewer user fees	-	-	9,250,581	-	9,250,581
Intergovernmental	38,308,479	1,329,103	-	28,590,253	68,227,835
Other	3,471,804	669,868	858,301	1,237,620	6,237,593
Total gross receivables	99,122,290	1,998,971	10,108,882	29,827,873	141,058,016
Allowance for collection losses	20,875,587	-	3,406,417	-	24,282,004
Total net receivables	\$ 78,246,703	\$ 1,998,971	\$ 6,702,465	\$ 29,827,873	\$ 116,776,012

Note 6. Interfund Accounts

As of June 30, 2007, amounts due from and to other funds were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 22,973,954	\$ 16,233,590
BOE Fund	804,319	-
Capital Bond Issue	9,256,998	14,243,197
Special Revenue Funds		
Education Grants	1,102,552	-
Health and Sanitation	-	376,714
Community Development	330,651	-
Other Programs	4,659,498	653,035
Social Services	-	395,067
Community Development Block Grant	770,661	1,551,668
Home Program	155,579	1,897,765
Section 108 Loan Guarantee	35,477	474,643
Development Administration State Grant	-	2,326,041
Parks and Recreation	-	40,000
Total Special Revenue Funds	7,054,418	7,714,933

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

	Due From Other Funds	Due To Other Funds
Capital Projects Funds		
Education and Library	-	199,025
Health and Sanitation	484,401	-
Parks and Recreation	11,705	-
Municipal Airport	125,020	-
Capital Reduction	392,635	-
Bond Issue	-	49,917
1997 Bond Issue	2,363	33,000
Total Capital Projects Funds	<u>1,016,124</u>	<u>281,942</u>
Enterprise Funds		
WPCA	<u>109,082</u>	<u>5,027,079</u>
Pension Trust Funds		
Public Safety Plan A	<u>290,142</u>	-
Internal Service Fund		
City Health Insurance	<u>1,995,704</u>	-
Total	<u>\$ 43,500,741</u>	<u>\$ 43,500,741</u>

The balances, as stated above, are the result of the time lag between the dates payments occur between funds for various activities. Such balances are expected to be paid or collected within one year.

Interfund transfers during the year-ended June 30, 2007 were as follows:

	Transfers in		
	General Fund	Board of Education	Total
Transfers out:			
General Fund	\$ -	\$ 211,764,417	\$ 211,764,417
Capital Bond Issue Fund	500,000	-	500,000
	<u>\$ 500,000</u>	<u>\$ 211,764,417</u>	<u>\$ 212,264,417</u>

Transfers are used to account for unrestricted revenues collected mainly in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

The Board of Education fund transfer represents unrestricted revenues collected by the general fund to finance unreimbursed education expenditures.

Note 7. Bulk Lien Sales

During the year ended June 30, 2007, the City executed a bulk sale of property tax liens and collected proceeds of approximately \$7,400,000. The City retains no interest in the assigned liens. The purchaser bears all risks relating to its ability to collect the amounts owed and should it acquire title to the underlying real estate through foreclosure or otherwise, will bear all risks associated with the ownership and sale of the real property.

Note 8. Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 111,020,320	\$ 21,529,369	\$ (861,949)	\$ 886,915	\$ 132,574,655
Construction in progress	182,750,790	75,580,499	-	(121,915,040)	136,416,249
Total capital assets, not being depreciated	293,771,110	97,109,868	(861,949)	(121,028,125)	268,990,904
Capital assets, being depreciated:					
Buildings and improvements	220,437,584	17,521,117	-	121,009,625	358,968,326
Machinery and equipment	18,466,572	656,377	(104,750)	18,500	19,036,699
Infrastructure	107,214,098	3,370,714	-	-	110,584,812
Vehicles	28,198,960	5,766,557	(1,286,146)	-	32,679,371
Total capital assets being depreciated	374,317,214	27,314,765	(1,390,896)	121,028,125	521,269,208
Less accumulated depreciation for:					
Buildings and improvements	86,917,421	6,933,581	-	-	93,851,002
Machinery and equipment	10,357,004	1,106,136	(104,750)	-	11,358,390
Vehicles	22,321,990	1,405,873	(1,286,146)	-	22,441,717
Infrastructure	64,157,137	2,336,194	-	-	66,493,331
Total accumulated depreciation	183,753,552	11,781,784	(1,390,896)	-	194,144,440
Total capital assets, being depreciated, net	190,563,662	15,532,981	-	121,028,125	327,124,768
Governmental activities capital assets, net	\$ 484,334,772	\$ 112,642,849	\$ (861,949)	\$ -	\$ 596,115,672

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

	Beginning Balance	Additions/ Transfers	Disposals/ Transfers	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 1,906,694	\$ 4,124,044	\$ (17,556)	\$ 6,013,182
Capital assets, being depreciated:				
Buildings and improvements	97,843,431	-	-	97,843,431
Machinery and equipment	13,327,838	5,802	-	13,333,640
Distribution and collection systems	57,836,451	1,451,213	17,556	59,305,220
Vehicles	1,879,112	134,711	-	2,013,823
Total capital assets, being depreciated	170,886,832	1,591,726	17,556	172,496,114
Less accumulated depreciation for:				
Buildings and improvements	29,255,649	3,914,320	-	33,169,969
Machinery and equipment	6,411,652	719,432	-	7,131,084
Distribution and collection systems	8,735,351	1,327,590	-	10,062,941
Vehicles	1,792,169	74,157	-	1,866,326
Total accumulated depreciation	46,194,821	6,035,499	-	52,230,320
Total capital assets, being depreciated, net	124,692,011	(4,443,773)	17,556	120,265,794
Business-type activities capital assets, net	\$ 126,598,705	\$ (319,729)	\$ -	\$ 126,278,976

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government	\$ 2,571,193
Protection of person and property	933,616
Conservation of health	7,926
Public facilities, including depreciation of general infrastructure assets	3,503,851
Education	4,265,563
Parks and recreation	499,635
Total depreciation expense – governmental activities	<u>\$ 11,781,784</u>

Business-type activities:

WPCA	<u>\$ 6,035,499</u>
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CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

Note 9. Unearned Revenue/Deferred Revenue

Governmental funds and governmental activities report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue and deferred revenue reported in the governmental funds and governmental activities were as follows:

	<u>Deferred Revenue</u>	<u>Unearned Revenue</u>
General Fund:		
Taxes and accrued interest on delinquent property taxes	\$ 34,670,583	\$ 1,176,028
School construction receivable	15,919,998	-
Nonmajor Funds:		
Grants	-	24,070,347
Total unavailable/unearned revenue for governmental funds	<u>\$ 50,590,581</u>	<u>\$ 25,246,375</u>

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

Note 10. Long-Term Debt and Subsequent Event

A summary of outstanding general long-term debt as of June 30, 2007 is as follows:

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 685,480,000	\$ 47,890,000	\$ 22,910,000	\$ 710,460,000	\$ 26,232,010
Notes payable	6,668,000	336,000	669,000	6,335,000	686,000
Deferred amounts:					
For issuance premium	14,715,296	482,104	1,268,830	13,928,570	1,276,232
Total bonds and notes payable	706,863,296	48,708,104	24,847,830	730,723,570	28,194,242
Capital leases	58,614	-	50,367	8,247	8,247
Claims and judgments	43,661,212	57,767,821	43,392,776	58,036,257	3,000,000
Compensated absences	33,254,305	1,209,958	-	34,464,263	9,554,212
Landfill closure costs	278,200	-	24,806	253,394	10,000
Net pension obligation	2,465,872	-	143,771	2,322,101	-
Governmental activities					
Long-term liabilities	\$ 786,581,499	\$ 107,685,883	\$ 68,459,550	\$ 825,807,832	\$ 40,766,701
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ -	\$ 490,000	\$ -	\$ 490,000	\$ -
Notes payable	56,559,487	2,571,685	4,789,365	54,341,807	4,789,995
Business-type activity					
Long-term liabilities	\$ 56,559,487	\$ 3,061,685	\$ 4,789,365	\$ 54,831,807	\$ 4,789,995

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

Notes payable

Notes payable as of June 30, 2007 include the following:

Governmental Activities:

Department of Housing and Urban Development Section 108 Loans, due in varying installments plus interest at 2.00% - 7.64%, through 2016	<u>\$ 6,335,000</u>
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Business-type Activities:

Clean Water Program, due in varying installments, plus interest at 2%, through 2021	<u>54,341,807</u>
	<u><u>\$ 60,676,807</u></u>

General obligation bonds

As of June 30, 2007, the City had the following general obligation bonds outstanding:

Governmental Activities:

General purpose, 4.0% to 8.6%	\$ 257,330,419
School, 4.0% to 9.5%	129,694,581
Pension, 6.9% to 7.6%	<u>323,435,000</u>
Total governmental activities	<u><u>\$ 710,460,000</u></u>

Business-Type Activities:

General purpose, 4.0% to 6.0%	<u><u>\$ 490,000</u></u>
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Prior Year's In-Substance Defeasance

In prior years, the City defeased various bond issues. As of June 30, 2007, the amount of defeased debt outstanding but removed from the governmental activities column of the statement of net assets amounted to \$151,685,000.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

The annual debt service requirements relative to the outstanding notes payable and general obligation bonds are as follows:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 26,918,000	\$ 41,159,945	\$ 68,077,945	\$ 4,789,995	\$ 1,010,534	\$ 5,800,529
2009	31,177,000	39,576,648	70,753,648	4,995,861	982,524	5,978,385
2010	33,052,000	37,961,876	71,013,876	4,963,979	867,615	5,831,594
2011	33,109,000	36,306,695	69,415,695	4,957,550	766,698	5,724,248
2012	31,849,000	34,748,227	66,597,227	4,728,281	667,795	5,396,076
2013	31,902,000	33,066,535	64,968,535	4,621,115	572,753	5,193,868
2014	31,306,000	31,426,791	62,732,791	4,456,737	480,299	4,937,036
2015	32,115,000	29,723,427	61,838,427	4,426,608	390,125	4,816,733
2016	32,784,000	27,965,882	60,749,882	4,406,011	300,655	4,706,666
2017	34,873,000	26,124,150	60,997,150	2,804,860	224,740	3,029,600
2018	33,905,000	24,225,400	58,130,400	2,488,829	171,806	2,660,635
2019	35,955,000	22,264,966	58,219,966	2,274,000	122,637	2,396,637
2020	38,135,000	20,185,363	58,320,363	2,119,173	79,350	2,198,523
2021	31,390,000	18,269,727	49,659,727	650,991	49,201	700,192
2022	33,295,000	16,487,410	49,782,410	517,520	38,629	556,149
2023	29,750,000	14,716,318	44,466,318	512,426	27,308	539,734
2024	31,625,000	12,970,998	44,595,998	330,890	20,937	351,827
2025	29,770,000	11,190,576	40,960,576	316,045	12,891	328,936
2026	29,170,000	9,432,438	38,602,438	240,676	7,161	247,837
2027	26,200,000	7,720,984	33,920,984	134,614	3,507	138,121
2028	24,270,000	5,998,546	30,268,546	95,646	797	96,443
2029	26,125,000	4,144,318	30,269,318	-	-	-
2030	28,120,000	2,148,368	30,268,368	-	-	-
Total	\$ 716,795,000	\$ 507,815,586	\$ 1,224,610,586	\$ 54,831,807	\$ 6,797,962	\$ 61,629,769

The State of Connecticut reimburses the City for eligible school bond principal and interest costs. The amount of such reimbursement for the year ended June 30, 2007 was approximately \$2,471,615. Additional principal and interest reimbursements approximating \$21,982,000 are expected to be received through the bonds' maturity dates.

Capital lease obligations

Property and equipment, which is carried at approximately \$9,000 (net of accumulated amortization of approximately \$306,000) in the Governmental activities, are being acquired under capital lease arrangements.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

Future minimum lease payments under capital leases are as follows:

	Governmental Funds
2008	\$ 8,247

Legal Debt Limit

The City's indebtedness does not exceed the legal debt limitation as provided by Connecticut General Statutes and as reflected in the following schedule:

Category	Debt Limit	Indebtedness	Balance
General purpose	\$ 506,475,648	\$ 304,853,266	\$ 201,622,382
Unfunded Pension Benefit Obligation	675,300,864	413,435,000	261,865,864
Schools	1,012,951,296	155,534,996	857,416,300
Sewers	844,126,080	54,341,807	789,784,273
Urban renewal	731,575,936	6,335,000	725,240,936

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$1,575,702,016. All long-term debt obligations are retired through General Fund appropriations or user charges.

Indebtedness above includes bonds authorized, but not issued as follows:

General purpose	\$ 47,032,847
Unfunded pension benefit obligation	90,000,000
Schools	25,840,415
	<u>\$ 162,873,262</u>

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2007

Subsequent Events

On July 3, 2007, the City issued a tax anticipation note in the amount of \$21,000,000 to fund cash flows for operating expenses. The notes matured and were paid in full on August 17, 2007 with an interest rate of 3.9%.

On December 6, 2007, the City issued a tax anticipation note in the amount of \$36,000,000 to fund cash flows for operating expenses. The notes mature on February 1, 2008 with an interest rate of 3.6%.

Note 11. Commitments and Contingencies

The City is a defendant in various lawsuits including personal injury, wrongful death, property damage, civil rights violations and other miscellaneous claims. For certain of these cases, where it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated, a loss contingency of approximately \$1,317,000 has been accrued. For certain other cases, where there is a reasonable possibility that a loss has been incurred, the City estimates its possible exposure could be \$1.0 to \$1.3 million, however, a loss contingency has not been accrued. Based upon the advice of the City Attorney and other legal counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the financial position of the City.

During the year ended June 30, 1993, several individual plaintiffs alleging Indian tribal status as the Golden Hill Paugussett Tribe of Indians ("Tribe") filed a civil action in the United States District Court against the State of Connecticut, the City and various other parties. The action sought to restore the alleged Tribe to possession of certain aboriginal and reservation lands in the City which were allegedly taken in violation of the common law. The plaintiffs demanded a declaration of right of possession, award for rents and profits, attorney's fees, costs and other appropriate relief. The Federal District Court dismissed the case for lack of standing to sue, because the plaintiffs had not received Federal Bureau of Indian Affairs ("BIA") tribal recognition. The plaintiffs appealed to the Second Circuit Court of Appeals, and in October 1994 the case was remanded to the District Court and action stayed on the land claims pending BIA determination of the Federal tribal status of the plaintiffs. On September 17, 1996 the BIA issued its final decision denying Federal recognition to the alleged Tribe. The alleged Tribe has appealed the decision of the BIA, which has reheard the matter and its decision is pending. In April 1998, the District Court dismissed the Tribe's claim based upon the BIA's decision. The Tribe filed a Request for Reconsideration alleging the dismissal was premature due to the pendency of its appeal of the BIA's decision. On or about September 17, 1999, the Deputy Assistant Secretary – Indian Affairs, issued a Reconsidered Final Determination, ordering full evaluation of the documented petition of the Golden Hill Paugussetts under all seven mandatory criteria for Federal (tribal status) acknowledgement. Full evaluation by the BIA is not final, although initial indications are encouraging that the Tribe will not satisfy federal tribal status criteria. In the event that the Tribe is granted Federal recognition, it must in addition satisfy a

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2007

significant number of other legal requirements in order to prevail on its land claim for a substantial number of acres of land in and around the downtown area of the City.

In December 2006, the U.S. District Court Honorable Judge Janet Arderton presiding, dismissed the case on the grounds of "lack of tribal status." The plaintiffs have appealed to the 2nd Circuit Court of Appeals. The likelihood of success on such an appeal, if filed, is judged remote.

Beardsley Zoo

On May 13, 1997, the City sold the land, buildings, equipment and animals comprising the Beardsley Zoological Gardens (the "Zoo") to the Connecticut Zoological Society (the "Society"). Under the sale agreement, if the Society is no longer willing or able to operate and maintain the Zoo, the responsibilities associated with it, and the trust assets, will revert back to the City.

The City also entered into a service agreement with the Society in which the City is required to provide operating assistance to the Society for such costs as personnel, supplies, services, materials, utilities, maintenance, equipment and vehicles, that it currently provides to the Zoo, which approximated \$970,000 during the year ended June 30, 2007, before the subsidy referred to below. These levels can be adjusted up or down depending on changes to the Zoo such as expansion. However, the Society is required to pay the City any subsidy received from the State. A subsidy of \$400,000 was received for the year ended June 30, 2007. The Society retains any revenues from admissions, vending, concessions, other grants or bequests.

WPCA Privatization Agreement

On April 11, 2003, the WPCA entered into a ten-year agreement with an independent contractor (the "Contractor") to provide operations, maintenance and management services to its two wastewater treatment facilities and systems.

The WPCA may terminate the agreement in its sole discretion, for its convenience and without cause at any time commencing on the third year anniversary of the commencement date upon one hundred twenty days prior written notice to the Contractor. If the WPCA exercises its convenience termination, the WPCA shall not be liable to the Contractor for any demobilization costs, termination fees or any other costs or expenses except for the portion of the service fee due to the Contractor pursuant to the terms of the agreement through the date of termination, the unamortized capital costs and certain other costs.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2007

Lease Commitments

The City is committed under various operating leases for real estate, vehicles and office and data processing equipment. Lease expenditures for the year ended June 30, 2007 totaled approximately \$1,509,000. Future minimum lease payments under these agreements are due as follows:

Year Ending June 30,	
2008	\$ 1,649,152
2009	1,284,154
2010	725,829
2011	274,677
2012	196,709
	<u>\$ 4,130,521</u>

Consent Decrees

Under various consent decrees issued by the State of Connecticut Department of Environmental Protection ("consent decrees"), the WPCA is required to bring both of its treatment facilities in compliance with federal standards and eliminate certain combined storm and sanitary sewers. The estimated cost of these improvements is \$156,000,000. As of June 30, 2007, approximately \$151,000,000 relating to these projects, including capitalized interest, have been incurred and included in property and equipment. Based on current engineering estimates, completion of these projects will be within the next three years. Funding for these improvements is being provided by the State of Connecticut's Clean Water Fund in the form of loans and grants. As of June 30, 2007, the State is committed to providing the WPCA additional funding in the form of loans and grants of approximately \$5,500,000 and \$1,170,000, respectively.

Municipal Solid Waste Service Agreement

The City has entered into a municipal solid waste service agreement, as amended (the "service agreement") with the Connecticut Resources Recovery Service Authority (the "Authority") pursuant to which it participates with seventeen other Connecticut Municipalities (the eighteen constituting the "Contracting Municipalities"), in the Greater Bridgeport Resources Recovery System (the "System").

Under the service agreement, the City is required to deliver, or cause to be delivered, to the System solid waste generated within its boundaries up to its minimum commitment of 67,000 tons per year and to pay a uniform per ton disposal service payment (the "service payment"). The current fee is \$63 and \$58.90 per ton for commercial and residential, respectively, plus a fixed monthly charge of \$64,167. The aggregate minimum commitment of the eighteen

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2007

Contracting Municipalities is 400,000 tons per year. The City's service payment commitment is a "put-or-pay" commitment, in that if the aggregate minimum commitment of the Contracting Municipalities is not met by the total deliveries of all the Contracting Municipalities in any year, the City must pay the service payment for its proportionate share of the shortfall of the aggregate minimum commitment (even if it did deliver its full portion).

Service payments shall be payable so long as the System is accepting solid waste delivered by or on behalf of the City, whether or not such solid waste is processed at the facility. The City has pledged its full faith and credit to the payment of service payments and has also agreed to enforce or levy and collect all taxes, cost sharing or other assessments or charges and take all such other action as may be necessary to provide for the payment of the service payments.

If any Contracting Municipality shall default in the payment of any service payments, the other Contracting Municipalities shall pay their share of the amounts unpaid by the nonpaying Contracting Municipality.

Note 12. Pension Plans

Connecticut Municipal Employees' Retirement Fund

All full-time employees of the City, except for Board of Education personnel, police, firefighters, janitors and engineers who participate in other plans described below, participate in the Connecticut Municipal Employees' Retirement Fund B ("CMERF"), a cost-sharing multiple employer public employee retirement system administered by the State of Connecticut.

Employees are eligible to participate in CMERF provided they work at least 20 hours per week if hired after September 30, 1969. If hired prior to that date there is no minimum hourly requirement. All benefits vest after 5 years of continuous service. Members who retire after age 55 with 15 years of service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life, in an amount for each year of service equal to:

- ◆ If not covered by Social Security: 2% of the average of earnings for the three highest paid years of service.
- ◆ If covered by Social Security: 1-1/6% of the average of earnings not in excess of the taxable wage base for the 10 highest paid years, plus 2% of the average of earnings for the three highest paid years of service which is in excess of the average of earnings not in excess of the taxable wage base for the 10 highest paid years.

CMERF also provides death and disability benefits.

Benefits and other plan provisions are established by State statute. Covered employees are required by Connecticut statute to contribute 2-1/4% of earnings upon which social security tax is paid plus 5% of earnings upon which no social security tax is paid. The City is required to make contributions as set by the State Retirement Commission to fund the remaining cost. The

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2007

employer contribution represents 7.00% of covered payroll. The City's contributions for the years ending June 30, 2007, 2006 and 2005 were \$5,312,000, \$4,749,000 and \$3,367,000, respectively, equal to the required contributions for each year.

The financial statements of the plan are available from the State Treasurer for the CMERF Fund, 55 Elm Street, Hartford, CT 06106.

State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Section 10.183 of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The financial statements of the Plan are available from the Connecticut Office of the State Comptroller, 55 Elm Street, Hartford, CT 06106.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The City does not and is not legally responsible to contribute to the plan. The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual municipality basis.

In addition, the City has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$13,585,000 for the year ended June 30, 2007.

Single Employer Defined Benefit Plans

The City maintains and administers four single employer defined benefit pension plans which cover substantially all of the employees of the City with the exception of those covered under CMERF and the State Teachers' Retirement System. The costs of administering the plans are paid by each individual plan. Stand alone plan reports are not available for these plans. The four City plans are as follows:

- i) Public Safety Plan A Investment and Pension Trust (Plan A)
- ii) Police Retirement Plan B
- iii) Firefighters' Retirement Plan B
- iv) Janitors' and Engineers' Retirement Plan

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2007**

The Police Retirement Plan B and Firefighters' Retirement Plan B are funded on an actuarial basis; the Janitors' and Engineers' Retirement Plan is funded on a "pay as you go" basis, that is, the City's contribution to the plan is the amount necessary to pay annual benefits. The City makes contributions to Plan A equal to the actuarially determined Normal Cost amounts. The net pension obligation and the contribution requirements are actuarially determined. Plan A is a closed plan and as such no new enrollments have been allowed since January 1, 1984.

In August 1985, the City purchased an annuity contract for approximately \$75 million to fund a portion of the net pension obligation for Plan A. The plan assets available for benefits and the net pension obligation amounts for Plan A excludes the plan assets and pension obligations covered by the above mentioned annuity contract. For the year ended June 30, 2007, approximately \$3,603,000 of benefits were provided through this annuity contract.

In August 2000, the City issued \$350,000,000 of taxable general obligation pension funding bonds. The proceeds of these bonds were transferred into Plans A's Investment Trust (the "A Trust"). The proceeds and any future investment earnings are to be used to make contributions to the Plan A or to pay benefits on behalf of the Plan. The City can, however, withdraw from the Plan A Trust the greater of: 1) 20% of the amount by which the A Trust assets exceed the present value of accrued Plan benefits (\$358,287,000 based on the July 1, 2006 actuarial valuation) or 2) the amount of the Plan A Trust assets in excess of 110% of the present value of accrued Plan benefits.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

Under State statutes regarding pension obligation bonds, the City is required to make its “Actuarially Recommended Contribution,” defined as the lesser of the Employer’s Normal Cost or the Annual Required Contribution as defined by GASB Statement No. 25. In addition, the City could have to make additional contributions as it is required to fund Plan A at approximately the same funding level as immediately following the bond issuance (79%).

Provisions of Pension Plans	Public Safety Plan A	Police Plan B	Firefighters’ Plan B	Janitors' and Engineers' Retirement Fund
Employees covered	All police and fire employed before 6/4/81 and 1/1/84, respectively	All police employed on or after 6/4/81.	All firefighters employed on or after 1/1/84.	All employees hired before 1985.
Number of retirees receiving benefits	955	69	34	51
Terminated employees entitled to future benefits	-	6	6	-
Current employees:				
Fully vested	67	357	258	-
Non-vested	-	37	1	-
Total number of participants	<u>1,022</u>	<u>469</u>	<u>299</u>	<u>51</u>
Benefit provisions	50% of compensation plus 2-1/2% for each year of service in excess of 20 years, maximum 75%	2% of annual salary for each full year of service plus 50% of subsequent compensation increase, maximum 70%	2% of annual salary for each year of service plus 50% of subsequent compensation increase, maximum 70%	2% of 3 year average compensation for each year of service, up to 33 years plus 1% of 3 year compensation thereafter
Definition of "Compensation"	Maximum yearly compensation currently being paid to members in the department in the same position that the employee held at the time of retirement.	Maximum yearly compensation currently being paid to members in the department in the same position which the employee held at the time of retirement	Maximum yearly compensation currently being paid to members in the department in the same position which the employee held at the time of retirement	Average of three highest years
Eligibility requirements	Vest after 10 years of service	Vest after 5 years of service	Vest after 5 years of service	Vest after the earlier of 10 years of continuous or 15 years of aggregate service

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

Provisions of Pension Plans	Public Safety Plan A	Police Plan B	Firefighters' Plan B	Janitors' and Engineers' Retirement Fund
Obligation to contribute in accordance with funding policy:				
Employee	8% of earnings	6% of earnings	6% of earnings	5% of earnings
Employer	\$8,115,384 (Normal Cost)	\$3,211,853	\$1,885,184	"Pay as you go"
Authority under which benefit provisions established	Contract negotiation	Contract negotiation	Contract negotiation	Contract negotiation
<u>Funding Status and Progress</u>				
Date of actuarial valuation	July 1, 2006	July 1, 2006	July 1, 2006	July 1, 2006
Significant actuarial assumptions				
• Investment rate of return	8.25%	8.25%	8.25%	8.25%
• Projected annual salary increases	3.5%	3.5%	3.5%	N/A
• Inflation	3.0%	3.0%	3.0%	3.5%
• Disability Rate:				
Age 20	.05%	.05%	.05%	None
30	.05%	.05%	.05%	
40	.09%	.09%	.09%	
50	.40%	.40%	.40%	
60	1.74%	1.74%	1.74%	
Actuarial asset valuation method	Asset smoothing plus/minus 20% of the difference between expected actuarial value and market value.	Asset smoothing plus/minus 20% of the difference between expected actuarial value and market value.	Asset smoothing plus/minus 20% of the difference between expected actuarial value and market value.	Market value
Funding Policy	Actuarial, Normal Cost	Actuarial, based on valuation when available	Actuarial, based on valuation when available	"Pay as you go"

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

Provisions of Pension Plans	Public Safety Plan A	Police Plan B	Firefighters' Plan B	Janitors' and Engineers' Retirement Fund
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Projected unit credit cost
Amortization method	Level payments for unfunded liability	Level payments for unfunded liability	Level payments for remaining unfunded liability	Level Dollar Amount Closed
Period for amortizing any unfunded actuarial liability	30 years	11 years	11 years	30 years
Authority under which contributions are established	City Council	City Council	City Council	City Council

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

	Public Safety Plan A	Janitors' and Engineers' Retirement Fund
Annual required contribution	\$ 8,115,384	\$ 897,186
Interest on net pension obligation	(7,555,517)	203,434
Adjustment to annual required contribution	8,265,525	(224,170)
Annual pension cost	8,825,392	876,450
Contributions made	3,125,012	1,020,221
Increase (decrease) in net pension obligation	5,700,380	(143,771)

NET PENSION (ASSET) OBLIGATION

Beginning of year	(91,582,019)	2,465,872
End of year	\$ (85,881,639)	\$ 2,322,101

	Police Plan B	Firefighters' Plan B
Annual required contribution	\$ 3,211,853	\$ 1,885,184
Interest on net pension obligation	(310,593)	(184,350)
Adjustment to annual required contribution	534,010	316,957
Annual pension cost	3,435,270	2,017,791
Contributions made	3,187,722	1,772,940
Increase in net pension obligation	247,548	244,851

NET PENSION ASSET

Beginning of year	(3,764,768)	(2,234,549)
End of year	\$ (3,517,220)	\$ (1,989,698)

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

TREND INFORMATION

Fiscal Year	Annual Pension Cost (APC) (\$000)	Percentage of APC Contributed	Net Pension Obligation (Asset) (\$000)
Public Safety Plan A			
Plan A:			
2007	\$ 8,825	35.4%	\$ (85,882)
2006	7,174	0.9%	(91,582)
2005	5,317	0.9%	(98,688)
Police Retirement			
Plan B:			
2007	\$ 3,435	92.8%	\$ (3,517)
2006	3,257	91.7%	(1,965)
2005	3,190	32.1%	(2,235)
Firefighters' Retirement			
Plan B:			
2007	\$ 2,018	87.9%	\$ (1,990)
2006	1,772	86.3%	(960)
2005	1,678	12.0%	(1,203)
Janitors' and Engineers'			
Retirement Plan:			
2007	\$ 876	116.4%	\$ 2,322
2006	918	116.2%	2,466
2005	919	114.8%	2,614

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

SCHEDULES OF EMPLOYER CONTRIBUTIONS
(DOLLARS IN THOUSANDS)

Year Ended June 30,	Public Safety Plan A		Janitors' and Engineers' Retirement Plan	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2007	\$ 8,115	38.5%	\$ 897	113.7%
2006	6,473	1.1%	939	113.6%
2005	4,645	1.1%	939	112.4%
2004	4,402	3.0%	1,033	98.1%
2003	3,522	1.4%	954	101.8%
2002	4,989	4.5%	1,282	77.3%

Year Ended June 30,	Police Retirement Plan B		Firefighters' Retirement Plan B	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2007	\$ 3,212	99.2%	\$ 1,885	94.0%
2006	3,047	98.0%	1,644	93.1%
2005	2,989	34.2%	1,556	13.0%
2004	2,655	104.0%	1,155	102.4%
2003	2,306	108.2%	1,014	101.3%
2002	1,608	96.4%	645	96.9%

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

SCHEDULES OF FUNDING PROGRESS
(DOLLARS IN THOUSANDS)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Under)/Over Funded AAL (UAAL)/OAAL	Funded Ratio %	Covered Payroll	(UAAL)/OAAL as a Percentage of Covered Payroll
Public Safety Plan A						
July 1, 2006	\$ 269,319	\$ 358,287	\$ (88,968)	75.2	\$ 4,326	2,056.7
July 1, 2005	281,397	353,022	(71,625)	80.0	4,569	1,567.5
July 1, 2004	293,358	344,937	(51,579)	85.0	3,890	1,325.9
July 1, 2003	303,816	351,964	(48,148)	86.3	5,538	869.5
July 1, 2002	319,482	358,874	(39,392)	89.0	5,559	708.6
July 1, 2001	331,750	386,186	(54,436)	85.9	8,050	676.2
Police Retirement Plan B						
July 1, 2006	\$ 84,683	\$ 93,711	\$ (9,029)	90.3	\$ 22,296	40.5
July 1, 2005	76,148	84,596	(8,448)	90.0	21,825	38.7
July 1, 2004	68,187	76,263	(8,076)	89.4	22,137	36.5
July 1, 2003	60,903	67,191	(6,288)	90.7	20,733	30.3
July 1, 2002	54,440	58,965	(4,526)	92.3	19,488	23.2
July 1, 2001	57,184	55,092	2,092	103.8	19,773	(10.6)
Firefighters' Retirement Plan B						
July 1, 2006	\$ 51,132	\$ 56,146	\$ (5,013)	91.1	\$ 13,727	36.5
July 1, 2005	46,820	50,187	(3,367)	93.0	13,674	24.6
July 1, 2004	43,037	45,810	(2,773)	94.0	13,631	20.3
July 1, 2003	39,637	39,717	(80)	99.8	12,872	0.6
July 1, 2002	36,919	35,828	1,091	103.0	12,740	-
July 1, 2001	39,416	33,754	5,662	116.8	12,796	(44.2)
Janitors' and Engineers' Retirement Plan						
July 1, 2006	\$ 3	\$ 9,870	\$ (9,867)	.03	\$ -	-
July 1, 2005	*	*	*	*	*	*
July 1, 2004	3	10,449	(10,446)	.30	29	36,417.7
July 1, 2003	*	*	*	*	*	*
July 1, 2002	3	10,575	(10,572)	.03	156	-
July 1, 2001	3	*	*	*	*	*
July 1, 2000	3	9,895	(9,892)	0.1	160	6,182.5
July 1, 1999	3	9,079	(9,076)	0.1	223	4,069.9
July 1, 1997	3	*	*	*	314	*

* Information not available.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

SCHEDULE OF PLAN NET ASSETS
JUNE 30, 2007

	Public Safety Investment and Pension Trust Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan	Totals
ASSETS					
Cash and cash equivalents	\$ 22,611,493	\$ 4,940,437	\$ 3,260,945	\$ 3,433	\$ 30,816,308
Investments, at fair value					
U.S. Government Agency Bonds	-	3,677,977	1,968,665	-	5,646,642
U.S. Government Security Bonds	21,769,531	5,864,221	2,255,221	-	29,888,973
Corporate Bonds	12,584,037	19,476,864	8,096,933	-	40,157,834
Common Stocks	-	36,334,659	38,368,416	-	74,703,075
Private Hedge Fund	29,819,926	-	-	-	29,819,926
Mutual Funds - Equities	11,134,646	22,582,197	776,884	-	34,493,727
Equity Securities	155,593,257	2,032,315	-	-	157,625,572
Alternative Investments	642,726	-	-	-	642,726
Total investments	231,544,123	89,968,233	51,466,119	-	372,978,475
Due from other funds of the					
City of Bridgeport	290,142	-	-	-	290,142
Contributions receivable	294,332	2,595,039	1,015,806	-	3,905,177
Total assets	254,740,090	97,503,709	55,742,870	3,433	407,990,102
LIABILITIES					
Other liabilities	5,439	-	14,888	-	20,327
Net Assets Held in Trust					
for Pension Benefits	\$ 254,734,651	\$ 97,503,709	\$ 55,727,982	\$ 3,433	\$ 407,969,775

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

SCHEDULE OF CHANGES IN
PLAN NET ASSETS
YEAR ENDED JUNE 30, 2007

	Public Safety Plan A Investment and Pension Trust	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan	Totals
Additions					
Contributions					
Employer	\$ 3,125,012	\$ 3,187,722	\$ 1,772,940	\$ 1,020,221	\$ 9,105,895
Plan members	305,614	1,327,376	760,576	-	2,393,566
Annuity proceeds	3,603,388	-	-	-	3,603,388
Total contributions	7,034,014	4,515,098	2,533,516	1,020,221	15,102,849
Investment Income					
Net appreciation in fair value of investments	31,795,602	8,694,919	5,447,377	-	45,937,898
Interest and dividends	4,925,959	2,683,717	1,381,246	-	8,990,922
	36,721,561	11,378,636	6,828,623	-	54,928,820
Less Investment Expenses:					
Investment management fees	(724,966)	-	-	-	(724,966)
Net investment income	35,996,595	11,378,636	6,828,623	-	54,203,854
Total additions	43,030,609	15,893,734	9,362,139	1,020,221	69,306,703
Deductions					
Benefits	31,374,254	2,462,527	1,240,191	1,020,221	36,097,193
Change in net assets	11,656,355	13,431,207	8,121,948	-	33,209,510
Net Assets Held in Trust for					
Pension Benefits					
Beginning of year	243,078,296	84,072,502	47,606,034	3,433	374,760,265
End of year	\$ 254,734,651	\$ 97,503,709	\$ 55,727,982	\$ 3,433	\$ 407,969,775

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2007

Note 13. Other Postemployment Benefits

In accordance with various collective bargaining agreements, the City also provides postretirement health care benefits, including supplemental Medicare benefits, to all employees who retire from the City, generally on or after attaining age 35 to 60 with at least 15 to 25 years of service, dependent upon the particular collective bargaining agreement. Currently, approximately 2,500 retirees meet these eligibility requirements. Expenditures for postretirement health care benefits are recognized and funded on a partially contributory basis as set forth in the collective bargaining agreements and approximated \$26,744,000 for the year ended June 30, 2007 (see Note 18).

GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," issued June 2004, will be effective for the City beginning with its year ending June 30, 2008. In preparation for the implementation of GASB 45, the City obtained an actuarial valuation to determine the benefit obligations of the City and the Board of Education. As of July 1, 2007, based on various actuarial estimates, the City's estimated accrued liability will be material, approximately \$874,662,000 (see Note 18).

Note 14. Landfill Closure and Postclosure Care Costs

A portion of the Bridgeport Seaside Landfill was used for disposal of materials classified as hazardous waste from 1974 until late 1981 when it stopped accepting waste. The hazardous waste area of the landfill is subject to federal and state laws and regulations which required that the City close the facility in a manner that minimizes the need for further maintenance; and controls, minimizes or eliminates, to the extent necessary to protect human health and the environment, post-closure escape of hazardous waste, hazardous constituents, leachate, contaminated run-off, or hazardous waste decomposition products to the ground or surface waters or to the atmosphere. In addition, the City is required to perform certain maintenance and monitoring functions at the hazardous waste site for thirty years after closure. The estimated total current cost of the postclosure care of \$253,000 is based on the estimated amount to be paid for all equipment, facilities and services required to close, monitor and maintain the site as of June 30, 2007. The actual cost of postclosure care costs may be higher due to inflation, changes in technology, or changes in federal, state or local laws and regulations.

The non-hazardous waste portion of the landfill is not subject to any federal, state or local laws and regulations requiring closure or postclosure care.

Note 15. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for insurable risks of loss except for general liability, workers' compensation and employee health and dental insurance. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage in any of the past three years.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

Workers' compensation

The City carries no insurance coverage for losses arising out of workers' compensation claims. These claims are paid from the General Fund. The City estimates a liability for workers' compensation claims payable and for claims incurred but not reported based on an actuarial valuation. This is accounted for in the governmental activities of the government-wide statements.

Group health insurance

The City maintains a group health and dental self-insurance plan to pay for medical claims of current and retired City employees and their covered dependents. Approximately 3,500 active employees and 3,500 retirees receive their health coverage through this plan. Payments related to these claims are made by an outside administrator under an administrative services contract and are accounted for in the Internal Service Fund. The contract requires the City to maintain a \$2,500,000 certificate of deposit which is recorded as restricted cash in the accompanying balance sheet.

The liability for general liability, workers' compensation and group health insurance includes all known claims reported plus a provision for those claims incurred but not reported, net of estimated recoveries. The liability is based on past experience adjusted for current trends and includes incremental claim expenditures. The liability for workers' compensation claims is calculated using actuarial methods. Changes in the reported liability are as follows:

A reconciliation of changes in the aggregate liabilities for claims for the current year and the prior fiscal year is as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2006	\$ 54,076,619	\$ 71,379,804	\$ 75,386,423	\$ 50,070,000
2007	\$ 50,070,000	\$ 95,669,180	\$ 79,998,320	\$ 65,740,860

The current portion of claims incurred but not reported is \$7,705,000 as of June 30, 2007, which is reported in the Internal Service Fund. The remaining liability of \$58,036,000 is recorded as long-term obligations.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

Note 16. Fund Deficits

The following funds have fund deficits as of June 30, 2007:

Special Revenue	
HOME Program	\$ (1,041,867)
Health and Sanitation	(2,046,730)
Parks and Recreation	(69,480)
Social Services	(282,791)
Proprietary	
Internal Service	\$ (5,837,263)

The City anticipates eliminating the fund deficits through future grants and revenues.

Note 17. Federal Investigations

During 2001, the City learned that certain persons and business entities were subjects of a federal criminal investigation. Nine individuals, including a former employee of the City, and a business entity pleaded guilty to various charges arising out of this investigation and the former mayor was convicted by a federal jury. These guilty pleas and convictions should not have a material adverse impact on the City's financial statements. The City Attorney understands that grand jury proceedings continue. However, because of the nature of grand jury activities, little is known about the focus and extent of its ongoing activities.

Note 18. Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2007 that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

- ◆ GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," issued June 2004, will be effective for the City beginning with its year ending June 30, 2008. This Statement establishes standards for the measurement, recognition and display of other postemployment benefits, expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports.

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2007

- ◆ GASB Statement No. 48, “Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues,” issued September 2006, is effective for periods beginning after December 15, 2006. This Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. It also provides disclosure requirements for a government that pledges or commits future cash flows from a specific revenue source. In addition, this Statement establishes accounting and financial reporting standards for intra-entity transfers of assets and future revenues.
- ◆ GASB Statement No. 49, “Accounting and Financial Reporting for Pollution Remediation Obligations,” issued December 1, 2006, will be effective for the City beginning with its fiscal year June 30, 2009, but the liability should be measured at July 1, 2008 so that beginning net assets can be restated. This Statement identifies the circumstances under which a government would have to estimate its expected outlays for pollution remediation if it knows a site is polluted, if the pollution poses an imminent danger to the public or the environment, if the government has violated a pollution prevention permit or license, if the government has been named as a responsible party for cleaning up the pollution, if the government began to clean up the pollution, and if the government is named in a lawsuit. In addition, it provides disclosure information about their pollution obligations associated with clean-up efforts.
- ◆ GASB Statement No. 50, “Pension Disclosures - an Amendment of GASB Statements No. 25 and No. 27,” issued May 2007. This Statement more closely aligns the financial reporting requirements for pensions with those for other post-employment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The reporting changes required by the Statement amend applicable note disclosure and RSI requirements of Statements No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans," and No. 27, "Accounting for Pensions by State and Local Governmental Employers," to conform with requirements of Statements No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans," and No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This Statement is effective for period beginning after June 15, 2007, except for requirements related to the use of the entry age actuarial cost method for the purpose of reporting a surrogate funded status and funding progress of plans that use the aggregate actuarial cost method, which are effective for periods for which the financial statements and RSI contain information resulting from actuarial valuations as of June 15, 2007, or later.
- ◆ GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets," issued June 2007. Governments possess many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. Intangible assets, and more specifically easements, are referred to in the

CITY OF BRIDGEPORT, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2007

description of capital assets in Statement No. 34, "Basic Financial Statements - and Management's Discussion and analysis - for State and Local Governments." This reference has created questions as to whether and when intangible assets should be considered capital assets for financial reporting purposes. An absence of sufficiently specific authoritative guidance that addresses these questions has resulted in inconsistencies in the accounting and financial reporting of intangible assets among state and local governments, particularly in the areas of recognition, initial measurement, and amortization. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

Supplementary Information

General Fund

General Fund

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
PROPERTY TAXES				
Current taxes	\$ 207,043,254	\$ 211,641,784	\$ 215,656,891	\$ 4,015,107
Interest - current	1,700,000	1,700,000	2,100,262	400,262
Arrears - principal	8,200,000	8,200,000	9,336,518	1,136,518
Arrears tax-legal settlement	-	-	(2,056,735)	(2,056,735)
Arrears - interest	3,700,000	3,700,000	3,342,816	(357,184)
Lien fees	80,000	80,000	213,881	133,881
Total property taxes	220,723,254	225,321,784	228,593,633	3,271,849
INTERGOVERNMENTAL				
Elderly exemption refund	792,760	792,760	790,774	(1,986)
Elderly freeze program	83,790	83,790	53,646	(30,144)
DCA tax abatement	139,000	139,000	123,407	(15,593)
Distressed municipalities	131,294	131,294	218,773	87,479
Education cost sharing	147,107,433	147,107,433	147,610,529	503,096
School construction refunds	2,529,478	2,529,478	2,486,316	(43,162)
Transportation - elementary	3,163,801	3,163,801	2,627,073	(536,728)
Aid to non-public schools	255,433	255,433	207,480	(47,953)
Town aid roads	916,935	916,935	684,090	(232,845)
Legally blind	150,000	150,000	358,599	208,599
PILOT	2,471,000	2,471,000	2,533,002	62,002
Miscellaneous PILOTs	310,000	310,000	526,822	216,822
PILOT/entitlements state aid	4,259,804	4,259,804	4,259,804	-
Tax exempt colleges and hospitals	11,067,342	11,067,342	11,023,396	(43,946)
Breakfast program				
State	203,804	203,804	171,645	(32,159)
Federal	1,871,586	1,871,586	1,921,095	49,509
Nutrition Center				
Federal	7,663,314	7,663,314	7,484,081	(179,233)
State	179,331	179,331	161,012	(18,319)
Mashantucket Pequot funds	9,791,042	9,791,042	9,567,311	(223,731)
Manufacturing Machinery & Equipment	857,397	857,397	915,093	57,696
Beardsley Zoo subsidy	400,000	400,000	400,000	-
State owned property	3,128,939	3,128,939	2,736,300	(392,639)
Total intergovernmental	197,473,483	197,473,483	196,860,248	(613,235)
FEEES, PERMITS AND LICENSES				
<u>Parks and Recreation</u>				
Golf course revenues	1,800,000	1,800,000	1,217,038	(582,962)
Wonderland of Ice	72,000	72,000	36,000	(36,000)
90 Acre	5,000	5,000	2,250	(2,750)
Kennedy Stadium	-	-	25,100	25,100
Leases/W.I.C.C.	10,500	10,500	10,500	-

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued
Year Ended June 30, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Parks and Recreation, Continued</u>				
Flea market/ballfield	15,500	15,500	825	(14,675)
Miscellaneous	-	-	800	800
Parking stickers	165,000	165,000	149,359	(15,641)
Apartment rental	1,500	1,500	1,375	(125)
Fairchild Wheeler restaurant	50,000	50,000	25,000	(25,000)
City concessions	500	500	-	(500)
Total parks and recreation	2,120,000	2,120,000	1,468,247	(651,753)
<u>Building Department</u>				
Building permits	1,959,700	1,959,700	3,700,921	1,741,221
Sign permits	8,800	8,800	10,200	1,400
Certificate of occupancy fees	500	500	421	(79)
Total building department	1,969,000	1,969,000	3,711,542	1,742,542
<u>Police Department</u>				
Traffic violations	1,351,000	1,351,000	926,340	(424,660)
Photocopy fees	50,000	50,000	27,990	(22,010)
Outside overtime	2,100,000	2,720,053	2,816,659	96,606
Overtime surcharge	550,000	729,086	707,877	(21,209)
Reclaimed dog fees	2,500	2,500	870	(1,630)
Vendor annual registration fees	20,000	20,000	18,235	(1,765)
Towing fines	135,000	135,000	85,218	(49,782)
Alarms	52,000	52,000	62,483	10,483
Ordinance violations	4,000	4,000	760	(3,240)
Block party permits	-	-	5,215	5,215
Total police department	4,264,500	5,063,639	4,651,647	(411,992)
<u>Public Facilities</u>				
Dump license fees	23,000	23,000	16,200	(6,800)
Commercial dump fees	401,000	401,000	42,714	(358,286)
Street excavation license	44,500	44,500	31,850	(12,650)
Public facility enforcement	17,000	17,000	12,300	(4,700)
Sewer permits	11,300	11,300	35,320	24,020
CRRA host revenue	290,000	290,000	290,000	-
Sidewalk repairs	1,000	1,000	-	(1,000)
Public works road repair	4,000	4,000	-	(4,000)
Bluefish parking	25,000	25,000	(9,373)	(34,373)
Congress Plaza	10,000	10,000	(53,782)	(63,782)
Annual rent	604,030	604,030	454,030	(150,000)
PILOT	400,000	400,000	20,576	(379,424)
Parking meters	335,000	335,000	390,445	55,445

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued
Year Ended June 30, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Public Facilities, Continued</u>				
Engineering map sales	4,300	4,300	7,958	3,658
Contractors license	5,000	5,000	5,600	600
Vendor registration license	250,000	250,000	263,277	13,277
Payphone application	250	250	-	(250)
Parking	164,750	164,750	94,058	(70,692)
Zoning appeals fees	20,250	20,250	41,198	20,948
Tavern zoning permits	85,700	85,700	98,394	12,694
Total public facilities	2,696,080	2,696,080	1,740,765	(955,315)
<u>Finance</u>				
Comptroller Copies/Books/Miscellaneous	565,100	565,100	1,307,694	742,594
Comptroller Court Fine/CARC	5,000	5,000	643,982	638,982
Information Technology Services	2,710	2,710	244	(2,466)
Total finance	572,810	572,810	1,951,920	1,379,110
<u>Civil Service</u>				
Label/Admin fees	5,500	5,500	2,094	(3,406)
<u>Town Clerk</u>				
Dog licenses	20,000	20,000	10,482	(9,518)
Fishing licenses	23,000	23,000	18,577	(4,423)
Combination licenses	1,000	1,000	1,101	101
Hunting licenses	2,500	2,500	3,597	1,097
Liquor licenses	700	700	900	200
Town Fund	30,000	30,000	-	(30,000)
Notaries/late fees	2,500	2,500	2,978	478
Farm fund	35,000	35,000	33,642	(1,358)
Assignments	4,200,000	4,200,000	3,334,235	(865,765)
Miscellaneous	-	-	13,907	13,907
Certification	1,250,000	1,250,000	1,160,657	(89,343)
Total town clerk	5,564,700	5,564,700	4,580,076	(984,624)
<u>Health Department</u>				
Vital statistics	216,500	216,500	208,551	(7,949)
Clinic programs	148,150	148,150	32,551	(115,599)
Business license	224,350	224,350	236,085	11,735
Housing code	62,100	62,100	99,754	37,654
Total health department	651,100	651,100	576,941	(74,159)

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued
Year Ended June 30, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<u>Education and Nutrition Center</u>				
Cafeteria	525,727	525,727	880,967	355,240
School based health	215,000	215,000	138,738	(76,262)
Total Education and Nutrition Center	740,727	740,727	1,019,705	278,978
<u>Sikorsky Airport</u>				
Airport fees	51,000	51,000	78,863	27,863
Shared revenue	126,690	126,690	142,568	15,878
Airport leases	816,965	816,965	733,913	(83,052)
Total Sikorsky Airport	994,655	994,655	955,344	(39,311)
<u>Fire Department</u>				
Firewatch reimbursement	153,500	153,500	118,698	(34,802)
Copies	1,250	1,250	341	(909)
Permit	57,300	57,300	65,965	8,665
Tank installation	2,930	2,930	1,575	(1,355)
Total Fire Department	214,980	214,980	186,579	(28,401)
Total fees, permits and licenses	19,794,052	20,593,191	20,844,860	251,669
INTEREST	1,200,000	1,200,000	2,027,212	827,212
OTHER				
Property rentals	100,000	100,000	310,465	210,465
Telephone access lines	500,000	500,000	629,036	129,036
O.T.B. income	760,000	760,000	673,679	(86,321)
State Bingo	150	150	149	(1)
Comptroller Reimbursement	285,000	285,000	303,164	18,164
Lien Reimbursement	-	-	11,181	11,181
Percent of Profit	75,000	75,000	50,553	(24,447)
WPCA revenues	570,000	570,000	421,681	(148,319)
Weights and measures	84,000	84,000	67,680	(16,320)
State conservation	500	500	806	306
Sale of City-owned property	1,818,550	1,818,550	3,676,634	1,858,084
Health and social reimbursement	141,000	141,000	146,359	5,359
Pari-Mutuel	50,000	50,000	-	(50,000)
Foreclosure cost recovery	50,000	50,000	57,372	7,372
PFM Service Charge	345,220	345,220	-	(345,220)
Restitution	-	-	10,975	10,975
Comptroller Miscellaneous Revenue	35,000	35,000	19,936	(15,064)
Total other	4,814,420	4,814,420	6,379,670	1,565,250
Total revenues	444,005,209	449,402,878	454,705,623	5,302,745

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued
Year Ended June 30, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES				
Transfers in	500,000	500,000	500,000	-
Appropriation of fund balance	-	2,000,000	2,000,000	-
Total other financing sources	500,000	2,500,000	2,500,000	-
Total revenues and other financing sources	444,505,209	451,902,878	457,205,623	5,302,745
EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES				
GENERAL GOVERNMENT				
Central grants office	308,207	348,555	307,507	41,048
Mayor's office	564,333	613,450	611,899	1,551
Civil service commission	909,980	994,113	1,075,026	(80,913)
Grants personnel	35,871,258	35,917,015	35,981,345	(64,330)
City attorney	2,804,498	2,924,711	4,050,668	(1,125,957)
City clerk and city council	271,927	284,896	276,431	8,465
City Wide Membership	92,000	92,000	92,000	-
Registrar of voters	377,842	398,204	407,796	(9,592)
Legislative department	326,725	332,969	189,103	143,866
Libraries	3,612,351	3,852,531	3,845,880	6,651
Office of policy and management	410,091	423,032	380,238	42,794
Archives and records	90,581	96,583	88,631	7,952
Pensions	8,786,722	9,519,069	11,935,902	(2,416,833)
Fringe benefits	3,298,000	3,598,000	3,718,614	(120,614)
Town Clerk	561,749	585,588	547,008	38,580
Grant city contributions	513,217	513,217	496,063	17,154
Chief administrative officer	224,804	259,526	254,433	5,093
Finance department	335,340	352,601	352,197	404
Comptroller's office	1,089,931	1,142,622	1,127,970	14,652
Treasurer's office	304,063	300,018	161,071	138,947
Tax assessor	1,117,139	1,156,808	444,137	712,671
Information technology services	3,256,082	3,297,496	3,103,217	194,279
Tax collector	1,038,028	1,078,733	1,628,359	(549,626)
Purchasing	419,399	443,503	368,987	74,516
Print shop	739,363	738,341	607,738	130,603
Internal audit	100	100	73	27
Labor relations	479,263	517,078	582,947	(65,869)
Employee org. & development	20,000	20,000	11,043	8,957
Ethics commission	3,500	3,500	2,069	1,431
Total general government	67,826,493	69,804,259	72,648,352	(2,844,093)

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued
Year Ended June 30, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
PROTECTION OF PERSON AND PROPERTY				
Police department	38,460,547	42,520,469	42,326,482	193,987
Fire department	21,887,234	21,917,234	21,548,927	368,307
Weights and measures	95,461	105,015	55,697	49,318
Total protection of person and property	60,443,242	64,542,718	63,931,106	611,612
CONSERVATION OF HEALTH				
Office and administrative	184,957	193,418	185,895	7,523
Registrar of vital statistics	164,903	171,203	162,107	9,096
Communicable diseases	253,796	292,693	254,486	38,207
School based health	1,256,749	1,406,141	1,267,777	138,364
Dental hygiene	310,804	329,029	341,013	(11,984)
Environmental health	340,926	422,412	312,003	110,409
Health clinics	290,927	298,337	185,353	112,984
Housing code enforcement	177,932	194,428	194,774	(346)
Lead poisoning	8,000	8,000	3,584	4,416
School nursing	1,951,704	1,966,505	1,752,899	213,606
Total conservation of health	4,940,698	5,282,166	4,659,891	622,275
PUBLIC FACILITIES				
City Engineer	386,733	410,294	404,621	5,673
Zoning commission	367,539	409,157	342,001	67,156
Zoning Board of Appeals	49,604	51,394	52,085	(691)
Building Department	568,082	682,290	708,240	(25,950)
Harbor Master	58,550	63,359	57,789	5,570
Transfer station	1,999,679	1,999,679	1,864,801	134,878
Director of public works	818,129	915,313	914,729	584
Ash and garbage collection	6,630,910	6,768,671	5,935,675	832,996
Landfill operation	67,750	67,750	60,141	7,609
Roadway maintenance	2,414,754	2,530,948	2,390,716	140,232
Planning and Development	1,502,812	1,580,463	1,495,552	84,911
Sikorsky Airport	1,025,402	1,017,522	972,882	44,640
Municipal garage	1,553,750	1,605,860	1,573,975	31,885
Maintenance	9,043,168	9,070,829	8,677,982	392,847
Construction management services	-	-	388,215	(388,215)
Total public facilities	26,486,862	27,173,529	25,839,404	1,334,125
CHARITIES AND HOSPITALS				
Social Services	171,383	170,934	174,432	(3,498)
Total charities and hospitals	171,383	170,934	174,432	(3,498)

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND, Continued
Year Ended June 30, 2007**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
EDUCATION				
Instruction	145,424,702	142,803,584	143,670,433	(866,849)
Pupil services	11,029,297	11,102,295	10,882,813	219,482
BOE administration	2,170,592	2,174,862	2,196,217	(21,355)
Support services	37,760,273	40,681,548	40,216,631	464,917
School improvement initiatives	-	2,000,000	1,999,626	374
Nutrition center	12,390,883	12,390,883	11,985,330	405,553
Total education	208,775,747	211,153,172	210,951,050	202,122
PARKS AND RECREATION				
Parks department	2,678,736	2,731,969	3,363,157	(631,188)
Fairchild Wheeler	1,815,748	1,854,683	1,630,561	224,122
Beardsley zoo	1,084,882	1,100,952	968,393	132,559
Total parks and recreation	5,579,366	5,687,604	5,962,111	(274,507)
SPECIAL SERVICES				
Youth services	1,286,694	1,309,037	1,282,975	26,062
Human services	68,573	84,502	67,441	17,061
Department on aging	229,012	233,744	220,494	13,250
Office for disabilities	49,060	52,606	46,145	6,461
Veterans affairs	43,375	45,617	44,775	842
Total special services	1,676,714	1,725,506	1,661,830	63,676
DEBT SERVICE				
	64,445,225	64,445,225	62,404,106	2,041,119
OTHER FINANCING USES				
	4,087,704	1,845,990	4,919,174	(3,073,184)
Total expenditures, encumbrances and other financing uses	\$ 444,433,434	\$ 451,831,103	\$ 453,151,456	\$ (1,320,353)
Revenues and other financing sources over expenditures, encumbrances and other financing uses	\$ 71,775	\$ 71,775	4,054,167	\$ 3,982,392
UNRESERVED FUND BALANCE, beginning			24,686,939	
Less appropriation of fund balance for budgetary presentation			(2,000,000)	
Decrease in reserve for self-insured claims			2,500,000	
UNRESERVED FUND BALANCE, ending			\$ 29,241,106	

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Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Education Grants Fund – is used to account for U.S. Department of Education grants as well as local grants relating to education.

Health and Sanitation Fund - is used to account for U.S. Department of Health and Human Services, U.S. Department of Agriculture and Connecticut Department of Health Services grants as well as local grants relating to health services.

Community Development Fund - is used to account for state and local grants used for such programs as labor-management cooperation, harbor management planning and economic development.

Other Program Fund – is used to account for Connecticut Office of Policy and Management grants for such programs as Drug Enforcement and Local Capital Improvement (LOCIP) as well as other miscellaneous federal and state grants.

Social Services Fund - is used to account for U.S. Department of Labor, U.S. Department of Health and Human Services and Connecticut Office of Policy and Management grants for such programs as employment for senior citizens, summer feeding for school-age children and home care maintenance for the handicapped.

Community Development Block Grant Fund - is used to account for U.S. Department of Housing and Urban Development (“HUD”) and Connecticut Department of Housing grants used for such activities as housing programs, community facilities, economic development and public services.

Home Program Fund - is used to account for HUD grants used to expand the supply of affordable housing including home ownership opportunities, rental housing and tenant based rental assistance.

Section 108 Loan Guarantee Fund - is used to account for development projects funded through the HUD Section 108 Loan Guarantee Program.

Development Administration State Grant Fund - is used to account for Connecticut Department of Social Services and Connecticut Department of Economic Development grants used for such programs as community centers, low and middle income housing, and neighborhood rehabilitation.

Library Fund – is used to account for donations and income from the investments of donations and endowments restricted for library-related activities.

Education Fund – is used to account for donations and income from the investment of donations restricted for scholarship grants to qualified recipients.

Parks and Recreation Fund – is used to account for donations and income from donations and endowments restricted for activities mainly related to parks and recreation.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Education and Library Fund - is used to account for certain education and library capital projects funded through state grants.

Health and Sanitation Fund - is used to account for the construction of the Bridgeport-Trumbull Intercept Sewer Project.

Highway and Parking Fund - is used to account for the undertaking of special street paving projects.

General Government Fund - is used to account for small construction projects funded out of local grants.

Parks and Recreation Fund - is used to account for acquisition and construction of recreational facilities located at the various city parks.

Municipal Airport Fund - is used to account for federal, state and local grants used for construction, renovation and other improvements at Sikorsky Airport.

Capital Reduction Fund - is used to account for the miscellaneous construction and renovation projects approved by the City Council not accounted for in other capital project funds.

Bond Issue Fund - is used to account for various school construction and capital equipment acquisition projects that are funded out of bond proceeds.

School Bond Issue Fund - is used to account for various school construction that is funded out of proceeds from the 1995 bond issue.

1997 Bond Issue Fund - is used to account for various construction projects that are funded out of proceeds from the 1997 bond issue.

Permanent Funds

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

Library Fund - is used to account for endowments and donations, the income from which is restricted for library-related activities.

Education Fund - is used to account for endowments and donations, the income from which is restricted for scholarship grants to qualified recipients.

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CITY OF BRIDGEPORT, CONNECTICUT

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2007**

	Special Revenue			
	Education Grants	Health and Sanitation	Community Development	Other Programs
ASSETS				
Cash and cash equivalents	\$ 221,580	\$ 161,424	\$ -	\$ 622,272
Investments	-	-	-	-
Receivables:				
Intergovernmental	8,674,750	780,056	75,205	3,241,911
Other	545,823	-	-	206,641
Due from other funds	1,102,552	-	330,651	4,659,498
Total assets	\$ 10,544,705	\$ 941,480	\$ 405,856	\$ 8,730,322
LIABILITIES AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts payable	\$ 1,318,419	\$ 211,995	\$ 43,597	\$ 569,797
Accrued liabilities	637,947	54,678	-	2,453
Due to other funds	-	376,714	-	653,035
Unearned revenues	7,507,761	2,344,823	127,644	4,109,805
Total liabilities	9,464,127	2,988,210	171,241	5,335,090
FUND BALANCES (DEFICITS)				
Reserve for endowments-permanently restricted				
Reserved for encumbrances	323,110	1,137,005	322,217	5,619,952
Unreserved and undesignated	757,468	(3,183,735)	(87,602)	(2,224,720)
Total fund balances (deficits)	1,080,578	(2,046,730)	234,615	3,395,232
Total liabilities and fund balances (deficits)	\$ 10,544,705	\$ 941,480	\$ 405,856	\$ 8,730,322

Special Revenue							
Social Services	Community Development Block Grant	HOME Program	Section 108 Loan Guarantee	Development Administration State Grant	Library	Education	Parks and Recreation
\$ -	\$ 822,408	\$ 902,136	\$ 579,335	\$ 864,018	\$ 117,576	\$ 255,061	\$ 1,748,906
-	-	-	-	-	1,472,385	-	-
479,011	9,829,928	288,058	773,328	4,100,708	-	-	-
-	-	278,720	-	-	7,411	-	-
-	770,661	155,579	35,477	-	-	-	-
<u>\$ 479,011</u>	<u>\$ 11,422,997</u>	<u>\$ 1,624,493</u>	<u>\$ 1,388,140</u>	<u>\$ 4,964,726</u>	<u>\$ 1,597,372</u>	<u>\$ 255,061</u>	<u>\$ 1,748,906</u>
\$ 52,841	\$ 786,439	\$ 77,277	\$ -	\$ 1,882,627	\$ -	\$ -	\$ 1,778,386
6,570	405,885	8,209	-	-	-	-	-
395,067	1,551,668	1,897,765	474,643	2,326,041	-	-	40,000
307,324	8,072,709	683,109	-	160,047	-	-	-
<u>761,802</u>	<u>10,816,701</u>	<u>2,666,360</u>	<u>474,643</u>	<u>4,368,715</u>	<u>-</u>	<u>-</u>	<u>1,818,386</u>
281,678	1,112,526	1,985,323	71,069	2,763,969	-	-	-
(564,469)	(506,230)	(3,027,190)	842,428	(2,167,958)	1,597,372	255,061	(69,480)
<u>(282,791)</u>	<u>606,296</u>	<u>(1,041,867)</u>	<u>913,497</u>	<u>596,011</u>	<u>1,597,372</u>	<u>255,061</u>	<u>(69,480)</u>
<u>\$ 479,011</u>	<u>\$ 11,422,997</u>	<u>\$ 1,624,493</u>	<u>\$ 1,388,140</u>	<u>\$ 4,964,726</u>	<u>\$ 1,597,372</u>	<u>\$ 255,061</u>	<u>\$ 1,748,906</u>

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

**COMBINING BALANCE SHEET, Continued
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2007

	Capital Projects			
	Education and Library	Health and Sanitation	Highway and Parking	General Government
ASSETS				
Cash and cash equivalents	\$ -	\$ 687,569	\$ 96,635	\$ 1,890
Investments	-	-	-	-
Receivables:				
Intergovernmental	214,234	-	-	-
Other	199,025	-	-	-
Due from other funds	-	484,401	-	-
Total assets	\$ 413,259	\$ 1,171,970	\$ 96,635	\$ 1,890
LIABILITIES AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts payable	\$ 166,577	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	199,025	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	365,602	-	-	-
FUND BALANCES (DEFICITS)				
Reserve for endowments-permanently restricted	-	-	-	-
Reserved for encumbrances	-	-	-	-
Unreserved and undesignated	47,657	1,171,970	96,635	1,890
Total fund balances (deficits)	47,657	1,171,970	96,635	1,890
Total liabilities and fund balances (deficits)	\$ 413,259	\$ 1,171,970	\$ 96,635	\$ 1,890

Capital Projects

Parks and Recreation	Municipal Airport	Capital Reduction	Bond Issue	School Bond Issue	1997 Bond Issue
\$ 492,317	\$ 187,074	\$ 2,021,851	\$ 295,482	\$ 68,239	\$ 104,019
-	-	-	-	-	-
-	90,874	18,786	400	-	23,004
-	-	-	-	-	-
11,705	125,020	392,635	-	-	2,363
<u>\$ 504,022</u>	<u>\$ 402,968</u>	<u>\$ 2,433,272</u>	<u>\$ 295,882</u>	<u>\$ 68,239</u>	<u>\$ 129,386</u>
\$ 1,486	\$ 23,136	\$ -	\$ -	\$ -	\$ 5,311
-	-	-	-	-	-
-	-	-	49,917	-	33,000
-	5,709	751,416	-	-	-
<u>1,486</u>	<u>28,845</u>	<u>751,416</u>	<u>49,917</u>	<u>-</u>	<u>38,311</u>
-	-	-	-	-	-
24,371	-	214,875	-	-	17,656
478,165	374,123	1,466,981	245,965	68,239	73,419
<u>502,536</u>	<u>374,123</u>	<u>1,681,856</u>	<u>245,965</u>	<u>68,239</u>	<u>91,075</u>
<u>\$ 504,022</u>	<u>\$ 402,968</u>	<u>\$ 2,433,272</u>	<u>\$ 295,882</u>	<u>\$ 68,239</u>	<u>\$ 129,386</u>

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

**COMBINING BALANCE SHEET, Continued
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2007**

	Permanent Trusts		Total Nonmajor Governmental Funds
	Library	Education	
ASSETS			
Cash and cash equivalents	\$ -	\$ 108,712	\$ 10,358,504
Investments	555,626	-	2,028,011
Receivables:			
Intergovernmental	-	-	28,590,253
Other	-	-	1,237,620
Due from other funds	-	-	8,070,542
Total assets	\$ 555,626	\$ 108,712	\$ 50,284,930
LIABILITIES AND FUND BALANCES (DEFICITS)			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 6,917,888
Accrued liabilities	-	-	1,115,742
Due to other funds	-	-	7,996,875
Unearned revenues	-	-	24,070,347
Total liabilities	-	-	40,100,852
FUND BALANCES (DEFICITS)			
Reserve for endowments-permanently restricted	552,531	108,681	661,212
Reserved for encumbrances	-	-	13,873,751
Unreserved and undesignated	3,095	31	(4,350,885)
Total fund balances (deficits)	555,626	108,712	10,184,078
Total liabilities and fund balances (deficits)	\$ 555,626	\$ 108,712	\$ 50,284,930

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CITY OF BRIDGEPORT, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2007**

	Special Revenue			
	Education Grants	Health and Sanitation	Community Development	Other Programs
REVENUES				
Intergovernmental	\$ 50,548,249	\$ 6,172,772	\$ 93,508	\$ 7,745,940
Interest	-	-	-	5,437
Other	88,026	20,152	96,335	867,659
Total revenues	50,636,275	6,192,924	189,843	8,619,036
EXPENDITURES				
Conservation of health	-	6,840,391	-	-
Education	50,280,602	13,000	-	-
Special services	-	-	149,843	7,686,003
Debt service:				
Principal retirements	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
General government	-	-	-	-
Total expenditures	50,280,602	6,853,391	149,843	7,686,003
Net change in fund balances (deficits)	355,673	(660,467)	40,000	933,033
FUND BALANCES (DEFICITS), beginning	724,905	(1,386,263)	194,615	2,462,199
FUND BALANCES (DEFICITS), ending	\$ 1,080,578	\$ (2,046,730)	\$ 234,615	\$ 3,395,232

Special Revenue							
Social Services	Community Development Block Grant	HOME Program	Section 108 Loan Guarantee	Development Administration State Grant	Library	Education	Parks and Recreation
\$ 1,212,868	\$ 7,599,025	\$ 2,988,959	\$ 967,902	\$ 18,431,616	\$ -	\$ -	\$ -
	1,606,836	88,023	110,834		60,518	12,577	24
968,395	17,409			1,714	113,752		1,864
2,181,263	9,223,270	3,076,982	1,078,736	18,433,330	174,270	12,577	1,888
-	-	-	-	-	-	-	-
1,671,355	8,438,009	3,014,967	967,901	876,394			
-	669,000	-	-	-	-	-	-
-	128,852	-	124,762	-	-	-	-
-	-	-	-	16,500,000	-	-	-
-	-	-	-	-	175,206	10,096	42,177
1,671,355	9,235,861	3,014,967	1,092,663	17,376,394	175,206	10,096	42,177
509,908	(12,591)	62,015	(13,927)	1,056,936	(936)	2,481	(40,289)
(792,699)	618,887	(1,103,882)	927,424	(460,925)	1,598,308	252,580	(29,191)
\$ (282,791)	\$ 606,296	\$ (1,041,867)	\$ 913,497	\$ 596,011	\$ 1,597,372	\$ 255,061	\$ (69,480)

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS), Continued
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2007**

	Capital Projects			
	Education and Library	Health and Sanitation	Highway and Parking	General Government
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	-	38,725	5,449	-
Other	-	91,978	-	-
Total revenues	-	130,703	5,449	-
EXPENDITURES				
Conservation of health	-	-	-	-
Education	-	-	-	-
Special services	-	-	-	-
Debt service:				
Principal retirements	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
General government	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances (deficits)	-	130,703	5,449	-
FUND BALANCES (DEFICITS), beginning	47,657	1,041,267	91,186	1,890
FUND BALANCES (DEFICITS), ending	\$ 47,657	\$ 1,171,970	\$ 96,635	\$ 1,890

Capital Projects					
Parks and Recreation	Municipal Airport	Capital Reduction	Bond Issue	School Bond Issue	1997 Bond Issue
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29,646	10,461	67,963	13,727	19,945	11,933
-	-	-	-	-	144,757
29,646	10,461	67,963	13,727	19,945	156,690
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	30	-	-
86,470	-	-	-	-	398,274
-	-	-	-	-	-
86,470	-	-	30	-	398,274
(56,824)	10,461	67,963	13,697	19,945	(241,584)
559,360	363,662	1,613,893	232,268	48,294	332,659
\$ 502,536	\$ 374,123	\$ 1,681,856	\$ 245,965	\$ 68,239	\$ 91,075

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS), Continued
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2007**

	Permanent Trusts		Total Nonmajor Governmental Funds
	Library	Education	
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 95,760,839
Interest	3,973	5,440	2,091,511
Other	-	-	2,412,041
Total revenues	3,973	5,440	100,264,391
EXPENDITURES			
Conservation of health			6,840,391
Education	-	5,409	50,299,011
Special services	-	-	22,804,472
Debt service:			
Principal retirements	-	-	669,000
Interest and other charges	-	-	253,644
Capital outlay	-	-	16,984,744
General government	878	-	228,357
Total expenditures	878	5,409	98,079,619
Net change in fund balances (deficits)	3,095	31	2,184,772
FUND BALANCES (DEFICITS), beginning	552,531	108,681	7,999,306
FUND BALANCES (DEFICITS), ending	\$ 555,626	\$ 108,712	\$ 10,184,078

Fiduciary Fund

FIDUCIARY FUND

Fiduciary Funds are used to account for assets held in a trustee capacity for others, and include Agency Funds.

Agency Funds - Agency funds are custodial in nature (assets equal liabilities). The City's one Agency Fund is listed below:

Student Activities Fund

CITY OF BRIDGEPORT, CONNECTICUT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND

Year Ended June 30, 2007

	Balance	Net Additions	Balance
	June 30, 2006	(Deletions)	June 30, 2007
STUDENT ACTIVITIES FUND			
Assets			
Cash	\$ 310,523	\$ (18,279)	\$ 292,244
Liabilities			
Due to student groups	\$ 310,523	\$ (18,279)	\$ 292,244

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**Capital Assets Used in the Operation
of Governmental Funds**

CITY OF BRIDGEPORT, CONNECTICUT

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -
SCHEDULE BY SOURCE**

June 30, 2007

Governmental funds capital assets:

Land	\$ 132,574,655
Buildings and improvements	358,968,326
Machinery and equipment	19,036,699
Infrastructure	110,584,812
Vehicles	32,679,371
Construction in progress	136,416,249
Total governmental funds capital assets	\$ 790,260,112

Investments in governmental funds capital assets by source:

Capital Projects Funds	\$ 471,158,357
General Fund	176,892,373
Tax Foreclosed Property	8,888,187
Economic Development	3,058,210
Donated Property	2,773,300
Other Special Revenue Funds	127,489,685
Total governmental funds capital assets	\$ 790,260,112

CITY OF BRIDGEPORT, CONNECTICUT

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -
BY FUNCTION AND ACTIVITY

June 30, 2007

	Land	Buildings	Furniture and Equipment	Vehicles	Infrastructure	Totals
General Government						
Mayor	\$ -	\$ -	\$ -	\$ 100,653	\$ -	\$ 100,653
Office of Policy/Management	-	-	49,269	19,817	-	69,086
Finance	-	-	-	22,373	-	22,373
Tax Assessor	-	-	-	37,488	-	37,488
Tax Collector	7,881,041	1,743,174	-	-	-	9,624,215
Information Technology Services	-	-	2,785,034	-	-	2,785,034
Print Shop	-	-	167,915	13,297	-	181,212
Barnum Institute	-	448,869	-	-	-	448,869
Klein Memorial auditorium	55,415	2,995,245	-	-	-	3,050,660
Archives and Records	-	-	29,680	-	-	29,680
City Attorney	-	-	-	15,000	-	15,000
Sikorsky Memorial Airport	4,908,731	1,561,972	682,724	1,121,596	-	8,275,023
Harbor Master	-	-	178,706	42,591	-	221,297
Railroad Station	472,585	1,106,985	-	-	-	1,579,570
Offstreet Parking	517,816	-	-	-	-	517,816
Building Department	-	-	-	88,976	-	88,976
Planning and Development	71,096,294	98,509,283	4,960,725	92,224	-	174,658,526
Fair Housing	240,000	-	-	-	-	240,000
Zoning Commission	-	-	-	12,496	-	12,496
Total general government	85,171,882	106,365,528	8,854,053	1,566,511	-	201,957,974
Protection of Person and Property						
Police	91,850	3,955,029	1,521,090	8,727,035	-	14,295,004
Dog Warden	2,700,000	-	-	-	-	2,700,000
Fire	599,819	5,570,274	749,630	8,282,251	-	15,201,974
Building Department	-	-	-	-	-	-
Weights and Measures	-	-	-	18,863	-	18,863
Total protection of person and property	3,391,669	9,525,303	2,270,720	17,028,149	-	32,215,841

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -
 BY FUNCTION AND ACTIVITY, Continued
 June 30, 2007

	Land	Buildings	Furniture and Equipment	Vehicles	Infrastructure	Totals
Conservation of Health						
Administration	-	-	46,000	25,793	-	71,793
Communicable diseases	-	-	-	12,496	-	12,496
Clinics	-	13,122	-	-	-	13,122
Laboratories	-	-	75,000	-	-	75,000
Environmental Health	-	-	-	90,082	-	90,082
Housing Code Enforcement	-	-	-	131,061	-	131,061
Women, Infants and Children	-	-	-	28,996	-	28,996
Social Services	-	-	250,000	12,496	-	262,496
Youth Services	-	-	-	13,297	-	13,297
Department of Aging	-	-	-	49,715	-	49,715
Total conservation of health	-	13,122	371,000	363,936	-	748,058
Public Facilities						
Director of Public Facilities	3,775,000	-	-	117,284	-	3,892,284
Miscellaneous	14,285	-	112,824	412,710	-	539,819
City Yard	-	-	-	23,375	-	23,375
Municipal Garage	-	1,149,441	-	-	-	1,149,441
Maintenance Department	-	-	159,026	352,649	-	511,675
Roadways and Maintenance	-	34,995	1,995,637	3,239,896	110,584,812	115,855,340
Ash and Garbage	-	-	10,000	3,599,916	-	3,609,916
Recycling	-	-	-	1,282,994	-	1,282,994
City Hall	170,597	12,066,271	123,720	-	-	12,360,588
Humane Affairs Building	192,343	3,617,898	-	-	-	3,810,241
Senior Citizens Building	30,000	395,246	24,460	-	-	449,706
Hall of Records	600,000	579,998	-	-	-	1,179,998
Transfer Station	849,745	902,329	70,950	21,431	-	1,844,455
City Engineer	-	-	-	77,649	-	77,649
Construction Management Services	-	-	-	25,793	-	25,793
Total public facilities	5,631,970	18,746,178	2,496,617	9,153,697	110,584,812	146,613,274

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS -
 BY FUNCTION AND ACTIVITY, Continued
 June 30, 2007

	Land	Buildings	Furniture and Equipment	Vehicles	Infrastructure	Totals
Education						
Administration	22,839,097	204,877,534	2,042,927	1,329,749	-	231,089,307
Instruction	-	-	-	795,138	-	795,138
Support Services	-	-	11,660	677,407	-	689,067
Pupil Services	-	-	-	19,444	-	19,444
Total education	22,839,097	204,877,534	2,054,587	2,821,738	-	232,592,956
Parks and Recreation						
Parks Administration	15,412,212	14,489,783	2,109,329	1,034,261	-	33,045,585
Fairchild Wheeler	-	-	223,989	-	-	223,989
Park Checkpoints	-	-	-	23,375	-	23,375
Total Parks and Recreation	15,412,212	14,489,783	2,333,318	1,057,636	-	33,292,949
Library	127,825	4,950,878	-	30,787	-	5,109,490
Nutrition Center	-	-	656,404	656,917	-	1,313,321
Total capital assets placed in use	132,574,655	358,968,326	19,036,699	32,679,371	110,584,812	653,843,863
Construction in Progress	-	136,416,249	-	-	-	136,416,249
Total capital assets	\$ 132,574,655	\$ 495,384,575	\$ 19,036,699	\$ 32,679,371	\$ 110,584,812	\$ 790,260,112

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS - SCHEDULE OF CHANGES BY FUNCTION
AND ACTIVITY**

Year Ended June 30, 2007

	Balance July 1, 2006	Additions	Disposals	Transfers	Balance June 30, 2007
General Government					
Mayor	\$ 69,486	\$ 31,167	\$ -	\$ -	\$ 100,653
Office of Policy/Management	69,086	-	-	-	69,086
Finance	22,373	-	-	-	22,373
Tax Assessor	37,488	-	-	-	37,488
Tax Collector	5,586,964	4,899,200	861,949	-	9,624,215
Information Technology Services	2,785,034	-	-	-	2,785,034
Print Shop	181,212	-	-	-	181,212
Barnm Institute	448,869	-	-	-	448,869
Klein Memorial auditorium	3,050,660	-	-	-	3,050,660
Archives and Records	29,680	-	-	-	29,680
City Attorney	15,000	-	-	-	15,000
Sikorsky Memorial Airport	8,247,268	27,755	-	-	8,275,023
Harbor Master	221,297	-	-	-	221,297
Railroad Station	1,579,570	-	-	-	1,579,570
Offstreet Parking	517,816	-	-	-	517,816
Building Department	88,976	-	-	-	88,976
Planning and Development	69,734,490	21,966,070	-	82,957,966	174,658,526
Fair Housing	240,000	-	-	-	240,000
Zoning Commission	12,496	-	-	-	12,496
Total general government	92,937,765	26,924,192	861,949	82,957,966	201,957,974
Protection of Person and Property					
Police	11,315,027	2,979,977	-	-	14,295,004
Dog Warden	-	2,700,000	-	-	2,700,000
Fire	13,702,459	1,317,506	-	182,009	15,201,974
Weights and Measures	18,863	-	-	-	18,863
Total protection of person and property	25,036,349	6,997,483	-	182,009	32,215,841

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

**SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS - SCHEDULE OF CHANGES BY FUNCTION
AND ACTIVITY, Continued**

Year Ended June 30, 2007

	Balance July 1, 2006	Additions	Disposals	Transfers	Balance June 30, 2007
Conservation of Health					
Administration	71,793	-	-	-	71,793
Communicable diseases	12,496	-	-	-	12,496
Clinics	13,122	-	-	-	13,122
Laboratories	75,000	-	-	-	75,000
Environmental Health	90,082	-	-	-	90,082
Housing Code Enforcement	131,061	-	-	-	131,061
Women, Infants and Children	28,996	-	-	-	28,996
Social Services	262,496	-	-	-	262,496
Mounted unit	13,297	-	-	-	13,297
Department of Aging	-	49,715	-	-	49,715
Total conservation of health	698,343	49,715	-	-	748,058
Public Facilities					
Director of Public Facilities	3,866,142	26,142	-	-	3,892,284
Miscellaneous	426,995	112,824	-	-	539,819
City Yard	23,375	-	-	-	23,375
Municipal Garage	1,149,441	-	-	-	1,149,441
Maintenance Department	511,675	-	-	-	511,675
Roadways and Maintenance	112,589,376	3,370,714	104,750	-	115,855,340
Ash and Garbage	3,897,169	958,893	1,246,146	-	3,609,916
Recycling	1,127,554	195,440	40,000	-	1,282,994
City Hall	12,254,471	106,117	-	-	12,360,588
Humane Affairs Building	3,810,241	-	-	-	3,810,241
Senior Citizens Building	425,246	24,460	-	-	449,706
Hall of Records	1,179,998	-	-	-	1,179,998
Transfer Station	1,844,455	-	-	-	1,844,455
City Engineer	77,649	-	-	-	77,649
Construction Management Services	25,793	-	-	-	25,793
Total public facilities	143,209,580	4,794,590	1,390,896	-	146,613,274

(Continued)

CITY OF BRIDGEPORT, CONNECTICUT

SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS - SCHEDULE OF CHANGES BY FUNCTION
AND ACTIVITY, Continued

Year Ended June 30, 2007

	Balance July 1, 2006	Additions	Disposals	Transfers	Balance June 30, 2007
Education					
Administration	182,679,754	9,833,998	-	38,575,555	231,089,307
Instruction	795,138	-	-	-	795,138
Support Services	689,067	-	-	-	689,067
Pupil Services	19,444	-	-	-	19,444
Total education	184,183,403	9,833,998	-	38,575,555	232,592,956
Parks and Recreation					
Parks Administration	32,800,992	214,243	-	-	33,015,235
Fairchild Wheeler	79,314	12,665	-	-	91,979
Park Checkpoints	185,735	-	-	-	185,735
Total Parks and Recreation	33,066,041	226,908	-	-	33,292,949
Library	4,892,732	17,248	-	199,510	5,109,490
Nutrition Center	1,313,321	-	-	-	1,313,321
Total capital assets placed in use	485,337,534	48,844,134	2,252,845	121,915,040	653,843,863
Construction in Progress	182,750,790	75,580,499		(121,915,040)	136,416,249
Total capital assets	\$ 668,088,324	\$ 124,424,633	\$ 2,252,845	\$ -	\$ 790,260,112

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Other Schedules

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CITY OF BRIDGEPORT, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

Year Ended June 30, 2007

Grand List Year	Balance Uncollected July 1, 2006	Current Levy	Net Adjustments	Transfers to Suspense	Adjusted Taxes Collectible
1991	\$ 1,455,152	\$ -	\$ (443,222)	\$ (961,507)	\$ 50,423
1992	1,249,566	-	98,513	(14,748)	1,333,331
1993	1,281,882	-	95,562	(15,767)	1,361,677
1994	1,483,593	-	84,989	(55,212)	1,513,370
1995	2,098,063	-	(86,660)	(52,065)	1,959,338
1996	2,287,509	-	(83,057)	(24,271)	2,180,181
1997	2,550,981	-	(92,973)	(62,082)	2,395,926
1998	2,864,686	-	(79,088)	(73,661)	2,711,937
1999	3,363,797	-	(150,749)	(135,342)	3,077,706
2000	3,438,951	-	(300,007)	(57,182)	3,081,762
2001	4,165,914	-	(381,419)	(36,278)	3,748,217
2002	5,406,316	-	(1,863,502)	(53,154)	3,489,660
2003	4,511,806	-	(1,359,364)	(53,202)	3,099,240
2004	7,716,798	-	(1,450,466)	(29,395)	6,236,937
2005	-	228,182,356	(4,026,226)	(29,889)	224,126,241
	<u>\$ 43,875,014</u>	<u>\$ 228,182,356</u>	<u>\$ (10,037,669)</u>	<u>\$ (1,653,755)</u>	<u>\$ 260,365,946</u>

Collections					Balance
Taxes	Interest	Lien Fees	Total	Uncollected June 30, 2007	
\$ 50,423	\$ 94,113	\$ 650	\$ 145,186	\$ -	
31,162	71,949	553	103,664	1,302,169	
27,072	60,905	493	88,470	1,334,605	
55,275	102,978	786	159,039	1,458,095	
73,119	133,441	1,309	207,869	1,886,219	
107,689	147,007	1,667	256,363	2,072,492	
166,438	217,855	2,059	386,352	2,229,488	
257,502	256,046	3,510	517,058	2,454,435	
275,675	283,559	4,502	563,736	2,802,031	
319,396	319,485	5,246	644,127	2,762,366	
418,147	353,830	5,930	777,907	3,330,070	
78,802	390,413	8,810	478,025	3,410,858	
64,420	390,527	14,382	469,329	3,034,820	
1,811,380	520,708	64,358	2,396,446	4,425,557	
215,656,891	2,100,262	95,919	217,853,072	8,469,350	
<u>\$ 219,393,391</u>	<u>\$ 5,443,078</u>	<u>\$ 210,174</u>	<u>\$ 225,046,643</u>	<u>\$ 40,972,555</u>	

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Statistical Section

Statistical Section

This part of the City of Bridgeport, Connecticut’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time. 119

Revenue Capacity

These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax. 128

Debt Capacity

These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future. 136

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place. 144

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs. 150

CITY OF BRIDGEPORT, CONNECTICUT

Net Assets By Component
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities:					
Invested in capital assets, net of related debt	\$ 153,863,281	\$ 65,794,648	\$ 108,362,879	\$ 127,514,772	\$ 209,090,671
Restricted	49,347,524	3,155,609	3,207,234	3,161,212	3,161,212
Unrestricted	(262,854,254)	(143,011,902)	(175,841,584)	(151,356,989)	(168,193,991)
Total governmental activities					
net assets	\$ (59,643,449)	\$ (74,061,645)	\$ (64,271,471)	\$ (20,681,005)	\$ 44,057,892
Business-type activities:					
Invested in capital assets, net of related debt	\$ 66,006,733	\$ 66,678,436	\$ 69,306,606	\$ 70,239,858	\$ 71,647,808
Restricted	4,842,442	-	2,513,522	1,005,237	582,299
Unrestricted	(7,435,957)	(7,977,022)	(2,669,623)	(531,792)	196,996
Total business-type activities					
net assets	\$ 63,413,218	\$ 58,701,414	\$ 69,150,505	\$ 70,713,303	\$ 72,427,103
Primary government:					
Invested in capital assets, net of related debt	\$ 219,870,014	\$ 132,473,084	\$ 177,669,485	\$ 197,754,630	\$ 280,738,479
Restricted	49,347,524	3,155,609	5,720,756	4,166,449	3,743,511
Unrestricted	(270,290,211)	(150,988,924)	(178,511,207)	(151,888,781)	(167,996,995)
Total primary government					
net assets	\$ (1,072,673)	\$ (15,360,231)	\$ 4,879,034	\$ 50,032,298	\$ 116,484,995

GASB Statement No. 34 Implemented in Fiscal Year 2002

CITY OF BRIDGEPORT, CONNECTICUT

Changes In Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses:					
Governmental activities:					
General government	\$ 30,641,636	\$ 35,479,327	\$ 38,157,661	\$ 41,722,180	\$ 40,345,741
Protection of person and property	85,261,728	91,839,086	94,461,547	84,409,628	84,118,885
Conservation of health	12,168,828	11,974,813	19,301,232	18,690,534	20,437,426
Public facilities	22,352,835	35,646,905	28,882,305	23,565,756	33,603,711
Education	262,749,224	280,498,182	271,053,265	275,174,924	316,003,326
Parks and recreation	7,090,252	6,616,402	6,521,261	6,583,851	6,716,385
Special services	22,939,155	18,290,399	20,221,443	23,419,505	41,536,847
Interest on long-term debt	42,750,722	41,527,846	40,832,426	41,900,200	40,704,065
Total governmental activities expenses	485,954,380	521,872,960	519,431,140	515,466,578	583,466,386
Business-type activities:					
Water Pollution Control Authority	22,069,606	20,959,181	22,115,101	22,869,459	23,879,708
Total business-type activities expenses	22,069,606	20,959,181	22,115,101	22,869,459	23,879,708
Total primary government expenses	508,023,986	542,832,141	541,546,241	538,336,037	607,346,094
Program revenue:					
Governmental activities:					
Charges for services:					
General government	5,534,014	32,370,459	20,788,251	23,874,846	11,067,469
Protection of person and property	4,891,789	5,163,250	4,533,724	4,476,760	4,905,692
Conservation of health	352,820	1,570,304	1,529,848	2,155,194	1,991,980
Public facilities	1,635,128	6,266,939	6,697,358	6,647,338	10,182,342
Education	9,005,655	1,297,255	654,426	1,423,341	1,276,551
Parks and recreation	2,211,008	1,945,085	1,902,781	1,726,183	1,518,799
Special services	-	1,918,834	1,012,749	178,938	1,061,769
Operating grants and contributions:					
General government	-	2,525,000	5,093	14,992	-
Protection of person and property	-	2,679,253	4,302,286	4,380,797	5,698,748
Conservation of health	5,628,931	-	-	-	-
Education	196,715,334	212,719,622	217,758,757	210,955,679	215,343,447
Parks and recreation	35,340	-	-	-	-
Special services	20,091,274	12,584,405	12,504,646	20,301,961	41,522,707
Capital grants and contributions:					
General government	12,447,083	-	-	-	-
Education	216,414	13,108,097	20,973,871	36,550,562	64,067,911
Public facilities	-	-	-	-	16,809,428
Protection of person and property	-	-	-	-	2,500,000
Total governmental activities program revenue	258,764,790	294,148,503	292,663,790	312,686,591	377,946,843

CITY OF BRIDGEPORT, CONNECTICUT

Changes In Net Assets, Continued
 Last Five Fiscal Years
 (accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Business-type activities:					
Charges for services:					
Water Pollution Control Authority	19,746,578	19,272,070	27,855,870	22,715,548	24,437,184
Capital grants and contributions:					
Water Pollution Control Authority	1,853,300	544,524	937,936	1,557,806	1,156,324
Total business-type activities					
program revenues	21,599,878	19,816,594	28,793,806	24,273,354	25,593,508
Total primary government program					
revenues	280,364,668	313,965,097	321,457,596	336,959,945	403,540,351
Net (expense) revenue:					
Governmental activities	(227,189,590)	(227,724,457)	(226,767,350)	(202,779,987)	(205,519,543)
Business-type activities	(469,728)	(1,142,587)	6,678,705	1,403,895	1,713,800
Total primary government net expense	(227,659,318)	(228,867,044)	(220,088,645)	(201,376,092)	(203,805,743)
General revenues and other changes in net assets:					
Governmental activities:					
Property taxes	187,968,255	182,701,969	197,001,706	210,007,626	226,471,874
Grants and contributions not restricted to					
specific programs	41,457,415	31,099,591	35,361,300	32,127,837	35,588,659
Proceeds from sale of City-owned property	(308,932)	(800,638)	1,231,298	-	-
Unrestricted investment earnings	2,810,783	491,343	2,963,220	4,234,990	8,197,907
Total governmental activities	231,927,521	213,492,265	236,557,524	246,370,453	270,258,440
Business-type activities:					
Investment earnings	83,361	92,229	108,940	158,903	-
Total business-type activities	83,361	92,229	108,940	158,903	-
Total primary government	232,010,882	213,584,494	236,666,464	246,529,356	270,258,440
Changes in net assets:					
Governmental activities	4,737,931	(14,232,192)	9,790,174	43,590,466	64,738,897
Business-type activities	16,292,633	(1,050,358)	6,787,645	1,562,798	1,713,800
Total primary government	\$ 21,030,564	\$ (15,282,550)	\$ 16,577,819	\$ 45,153,264	\$ 66,452,697

CITY OF BRIDGEPORT, CONNECTICUT

Program Revenues by Function/Program
Last Five Fiscal Years
(accrual basis of accounting)

Function / Program	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities:					
General government	\$ 17,981,097	\$ 34,895,459	\$ 20,793,344	\$ 23,889,838	\$ 11,067,469
Protection of person and property	4,891,789	7,842,503	8,836,010	8,857,557	13,104,440
Conservation of health	5,981,751	1,570,304	1,529,848	2,155,194	1,991,980
Public facilities	1,635,128	6,266,939	6,697,358	6,647,338	26,991,770
Education	205,937,403	227,124,974	239,387,054	248,929,582	280,687,909
Parks and recreation	2,246,348	1,945,085	1,902,781	1,726,183	1,518,799
Special services	20,091,274	14,503,239	13,517,395	20,480,899	42,584,476
Total governmental activities	258,764,790	294,148,503	292,663,790	312,686,591	377,946,843
Business-type activities:					
Water Pollution Control Authority	19,746,578	19,272,070	27,855,870	24,273,354	25,593,508
Total business-type activities	19,746,578	19,272,070	27,855,870	24,273,354	25,593,508
Total government	\$ 278,511,368	\$ 313,420,573	\$ 320,519,660	\$ 336,959,945	\$ 403,540,351

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CITY OF BRIDGEPORT, CONNECTICUT

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	1998	1999	2000	2001
General Fund:				
Reserved	\$ 8,118,172	\$ 4,965,927	\$ 2,568,476	\$ 2,657,983
Unreserved	41,850,834	46,015,882	48,428,443	48,429,336
Total General Fund	\$ 49,969,006	\$ 50,981,809	\$ 50,996,919	\$ 51,087,319
All Other Governmental Funds:				
Reserved	\$ 24,586,354	\$ 28,322,595	\$ 67,927,913	\$ 28,967,081
Unreserved, reported in:				
Special revenue funds	3,174,298	(1,110,487)	(9,008,316)	8,734,755
Capital projects funds	(2,927,753)	(24,051,542)	(10,728,512)	4,752,568
Permanent fund	-	-	-	-
Total all other government funds	\$ 24,832,899	\$ 3,160,566	\$ 48,191,085	\$ 42,454,404

Fiscal Year					
2002	2003	2004	2005	2006	2007
\$ 2,584,394	\$ 2,645,439	\$ 2,727,423	\$ 2,500,000	\$ 4,127,588	\$ -
38,571,118	35,304,505	33,004,687	29,800,885	24,686,939	29,241,106
<u>\$ 41,155,512</u>	<u>\$ 37,949,944</u>	<u>\$ 35,732,110</u>	<u>\$ 32,300,885</u>	<u>\$ 28,814,527</u>	<u>\$ 29,241,106</u>
\$ 26,261,000	\$ 23,112,383	\$ 27,148,738	\$ 142,385,942	\$ 132,000,973	\$ 101,323,449
3,621,856	(2,830,148)	1,173,237	(8,817,211)	(19,480,868)	(8,379,055)
34,915,787	21,154,461	43,316,930	(60,633,269)	(13,936,725)	14,104,079
1,543,518	651,434	655,609	707,234	661,212	3,126
<u>\$ 66,342,161</u>	<u>\$ 42,088,130</u>	<u>\$ 72,294,514</u>	<u>\$ 73,642,696</u>	<u>\$ 99,244,592</u>	<u>\$ 107,051,599</u>

CITY OF BRIDGEPORT, CONNECTICUT

**Changes In Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year			
	1998	1999	2000	2001
Revenues:				
Property taxes	\$ 154,135,491	\$ 149,716,422	\$ 150,662,443	153,585,151
Property tax delinquency fees	4,620,634	3,593,192	3,481,285	3,689,908
Intergovernmental	207,203,337	234,933,973	279,419,020	316,517,356
Fees, permits and licenses	13,960,575	12,005,861	12,030,977	10,904,938
Interest	7,185,126	7,295,911	10,161,216	7,833,778
Other	16,102,381	7,110,498	11,539,709	7,724,250
Total revenues	403,207,544	414,655,857	467,294,650	500,255,381
Expenditures:				
Governmental and community services				
General government	98,274,783	95,387,728	99,860,361	79,994,831
Protection of person and property	53,893,437	57,340,176	59,421,508	62,190,590
Excess Pension Contribution	-	-	-	343,523,865
Conservation of health	9,125,118	9,255,934	10,131,608	10,971,897
Public facilities	19,330,365	20,323,215	19,431,610	18,251,266
Charities and hospitals	1,790,660	221,450	173,757	223,479
Education	159,468,547	175,696,345	190,115,805	196,116,242
Parks and recreation	3,523,214	4,827,311	4,774,541	4,452,648
Special services	20,582,364	26,017,378	22,504,312	24,983,022
Debt service:				
Principal retirements	12,496,389	12,547,008	14,567,195	14,881,280
Interest and other charges	12,382,589	12,283,969	12,283,646	33,998,267
Capital outlay	43,248,909	23,294,873	92,084,678	90,482,840
Total expenditures	434,116,375	437,195,387	525,349,021	880,070,227
Excess of revenues (under) expenditures	(30,908,831)	(22,539,530)	(58,054,371)	(379,814,846)
Other financing sources (uses):				
Transfers in	3,400,000	3,000,000	149,255,380	172,786,340
Transfers out	(3,400,000)	(3,000,000)	(149,255,380)	(172,786,340)
Bonds issued	-	-	101,600,000	350,000,000
Premium (discount) on long-term debt	-	-	-	-
Payments to escrow agent	-	-	-	-
Proceeds from notes payable	-	1,880,000	1,500,000	24,168,565
Capital lease	-	-	-	-
Total other financing sources (uses)	-	1,880,000	103,100,000	374,168,565
Net changes in fund balance	\$ (30,908,831)	\$ (20,659,530)	\$ 45,045,629	(5,646,281)
Debt service as a percentage of noncapital expenditures	6.4%	6.0%	6.2%	6.2%

		Fiscal Year									
		2002	2003	2004	2005	2006	2007				
\$	171,783,186	\$	182,088,506	\$	174,473,258	\$	194,715,592	\$	208,642,176	\$	221,313,850
	4,693,182		5,203,444		7,367,811		8,871,826		9,371,171		7,279,783
	285,687,143		281,913,116		279,402,599		294,084,874		306,711,917		383,345,871
	11,464,973		12,648,745		16,598,258		19,037,466		20,727,139		20,844,855
	4,347,622		2,810,783		520,946		2,972,578		4,169,012		8,184,000
	18,566,662		8,225,325		35,420,447		23,517,173		20,826,665		12,340,020
	496,542,768		492,889,919		513,783,319		543,199,509		570,448,080		653,308,379
	93,363,879		88,209,395		99,660,481		104,564,452		108,862,558		78,130,009
	61,494,439		61,706,357		62,224,435		63,846,820		63,669,135		63,938,653
	-		-		-		-		-		-
	11,613,075		10,475,853		16,324,964		16,627,932		16,087,863		18,206,936
	16,580,433		15,821,862		23,096,673		24,662,002		24,479,831		26,303,916
	221,764		14,880		53,021		70,462		90,833		-
	212,886,352		222,785,775		225,514,687		233,091,242		232,779,256		279,762,589
	5,730,908		5,576,989		5,044,139		5,655,220		5,818,319		5,969,788
	20,277,255		22,737,145		18,040,700		19,660,655		22,892,503		40,966,303
	19,157,839		20,603,428		20,965,572		23,526,717		26,435,988		23,579,000
	45,061,979		42,633,563		41,109,530		43,567,518		46,276,800		41,852,539
	42,884,420		30,284,271		23,040,567		42,681,632		63,239,695		114,737,164
	529,272,343		520,849,518		535,074,769		577,954,652		610,632,781		693,446,897
	(32,729,575)		(27,959,599)		(21,291,450)		(34,755,143)		(40,184,701)		(40,138,518)
	168,024,318		169,405,906		175,814,614		179,817,106		175,331,870		212,264,417
	(173,541,029)		(169,405,906)		(175,814,614)		(179,817,106)		(175,331,870)		(212,264,417)
	121,195,435		-		77,265,000		88,505,000		95,735,000		47,890,000
	6,614,810		-		1,600,083		8,186,165		895,239		482,104
	(79,331,679)		-		(29,585,083)		(64,019,065)		(34,330,000)		-
	1,000,000		500,000		-		-		-		-
	314,471		-		-		-		-		-
	44,276,326		500,000		49,280,000		32,672,100		62,300,239		48,372,104
\$	11,546,751	\$	(27,459,599)	\$	27,988,550	\$	(2,083,043)	\$	22,115,538	\$	8,233,586
	13.2%		12.9%		12.1%		12.5%		13.3%		11.3%

CITY OF BRIDGEPORT, CONNECTICUT

**Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)**

Fiscal Year	Real Estate	Personal Property	Motor Vehicle	Total
1998	\$ 116,372,296	\$ 22,041,375	\$ 15,721,820	\$ 154,135,491
1999	112,736,466	21,708,881	15,271,075	149,716,422
2000	112,996,832	21,996,717	15,668,894	150,662,443
2001	110,734,894	26,109,476	16,740,781	153,585,151
2002	126,088,859	26,969,960	18,724,367	171,783,186
2003	137,294,734	25,856,568	18,937,205	182,088,507
2004	132,425,203	24,949,676	17,098,379	174,473,258
2005	164,534,675	18,108,550	12,072,367	194,715,592
2006	174,424,859	20,446,933	13,770,384	208,642,176
2007	183,690,496	22,352,699	15,270,656	221,313,851
Change 1998-2007	57.85%	1.41%	-2.87%	43.58%

Source: City of Bridgeport records. Allocation by Grand List percentage composition.

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CITY OF BRIDGEPORT, CONNECTICUT

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Miscellaneous Land	Personal Property	Motor Vehicle
1998	\$ 1,217,030	\$ 476,888	\$ 139,682	\$ 17,493	\$ 370,110	\$ 250,817
1999	1,218,207	488,413	137,841	18,335	379,095	255,535
2000	1,218,738	502,271	135,142	18,115	434,976	264,687
2001	1,218,829	496,302	126,073	18,370	525,162	285,838
2002	1,376,877	527,328	126,404	22,873	513,383	310,875
2003	1,577,935	591,635	137,263	30,266	508,476	330,502
2004	1,795,669	663,605	146,558	34,857	497,521	340,958
2005	3,172,156	977,737	187,791	42,391	517,774	321,204
2006	3,182,882	996,112	188,513	41,072	543,985	348,997
2007	3,199,609	998,510	188,631	41,104	588,791	372,428

Source: City of Bridgeport Tax Assessor's Office

Total Taxable Assessed Value	Percent Growth	Total Direct Tax Rate	Estimated Actual Taxable Value	Value as a Percentage of Actual Value
\$ 2,472,020	1.83%	66.50	\$ 3,531,457	70.00%
2,497,426	1.03%	65.50	3,567,751	70.00%
2,573,929	3.06%	65.00	3,677,041	70.00%
2,670,574	3.75%	65.00	3,815,106	70.00%
2,877,740	7.76%	65.00	4,111,057	70.00%
3,176,077	10.37%	62.40	4,537,253	70.00%
3,479,168	9.54%	55.20	4,970,240	70.00%
5,219,053	50.01%	38.99	7,455,790	70.00%
5,301,561	1.58%	40.32	7,573,659	70.00%
5,389,073	1.65%	42.28	7,698,676	70.00%

CITY OF BRIDGEPORT, CONNECTICUT

**Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)**

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
PSEG Power Connecticut	\$ 83,752,150	1	1.55%			
Cingular Wireless LLC	80,663,062	2	1.50%			
People's United Bank**	62,199,063	3	1.15%	56,911,162	2	2.37%
United Illuminating Co. Inc.	54,812,359	4	1.02%	98,052,189	1	4.08%
Bridgeport Energy LLC - Duke Energy	54,564,491	5	1.01%			
Southern Connecticut Gas Co. - Energy EA	32,196,075	6	0.60%	14,440,567	6	0.60%
Watermark 3030 Park LLC**	24,585,924	7	0.46%	18,745,405	3	0.78%
Aquarion Water Co. of CT	23,302,683	8	0.43%	18,254,147	4	0.76%
Bridgeport Lafayette 2005 LLC	15,400,000	9	0.29%			
Success Village Apts Inc.	14,641,200	10	0.27%			
United Technologies (Sikorsky)				17,115,128	5	0.71%
General Electric Co.				13,492,770	7	0.56%
Emson Research, Inc.				13,248,949	8	0.55%
American Telephone & Telegraph				12,005,070	9	0.50%
Casco Products				9,913,300	10	0.41%
Total	\$ 446,117,007		8.28%	\$ 272,178,687		11.32%

** Note: Name change occurred during period.

Source: City of Bridgeport - Assessor's Office

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CITY OF BRIDGEPORT, CONNECTICUT

**Property Tax Levies And Collections
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended June 30:	Grand List Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
1998	1996	\$ 156,732,111	\$ 145,511,141	92.84%
1999	1997	155,539,711	143,757,575	92.42%
2000	1998	156,976,007	143,034,101	91.12%
2001	1999	159,152,733	145,819,379	91.62%
2002	2000	173,831,595	161,502,431	92.91%
2003	2001	185,623,997	173,420,270	93.43%
2004	2002	181,481,765	169,411,397	93.35%
2005	2003	197,205,819	189,036,426	95.86%
2006	2004	210,375,902	202,659,104	96.33%
2007	2005	224,126,241	215,656,891	96.22%

Source: City of Bridgeport - Tax Collector's Office

Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 9,148,478	\$ 154,659,619	98.68%
9,552,648	153,310,223	98.57%
11,487,471	154,521,572	98.44%
10,531,323	156,350,702	98.24%
9,566,798	171,069,229	98.41%
8,873,657	182,293,927	98.21%
8,659,510	178,070,907	98.12%
5,133,573	194,169,999	98.46%
3,291,241	205,950,345	97.90%
n/a	215,656,891	96.22%

CITY OF BRIDGEPORT, CONNECTICUT

Ratios of Net General Bonded Debt Outstanding by Type

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

Fiscal Year	Governmental Activities			Percentage of Actual Property Value	Debt Per Capita
	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt		
1998	\$ 195,905	\$ -	\$ 195,905	5.71%	1,383
1999	203,660	-	203,660	5.89%	1,437
2000	261,190	-	261,190	7.32%	1,901
2001 *	606,220	-	606,220	16.37%	4,345
2002	635,295	-	635,295	15.91%	4,553
2003	633,270	-	633,270	14.28%	4,539
2004	644,870	-	644,870	13.23%	4,622
2005	649,685	-	649,685	8.80%	4,656
2006	719,810	-	719,810	9.50%	5,159
2007	772,389	-	772,389	10.01%	5,536

* Note: Includes \$350,000,000 Taxable Pension Bond Issue of August 28,2000, Series B

Business-Type Activities					
Loan Payable	General Obligation Bonds	Revenue Bonds	Total Primary Government	Percentage of Per Capita Income	Per Capita
\$ 59,243	\$ 4,194	\$ -	\$ 259,342	6.80%	1,407
67,075	3,777	-	274,512	9.10%	1,473
70,719	3,335	-	335,244	11.22%	1,985
71,094	2,865	-	680,179	21.80%	4,425
67,091	2,364	-	704,750	23.30%	4,730
65,797	1,831	-	700,898	28.13%	4,587
62,168	1,261	-	708,299	28.63%	4,668
59,144	652	-	709,481	28.88%	4,709
51,778	-	-	771,588	33.92%	5,530
49,552	490	-	822,431	29.03%	5,894

CITY OF BRIDGEPORT, CONNECTICUT

**Direct Governmental Activities Debt
For the Year Ended June 30, 2007
(Unaudited)**

Governmental Unit	Debt Outstanding
General obligation debt	\$ 710,460,000
Less school construction grants receivable - principal portion only	<u>(15,919,998)</u>
Total direct debt	<u><u>\$ 694,540,002</u></u>

Source: City records.

Note: The City is not subject to the debt of overlapping governments.

Note: School construction grants are receivable in substantially equal installments over the life of outstanding school bonds, obtained from the Office of Policy and Management, State of Connecticut.

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CITY OF BRIDGEPORT, CONNECTICUT

Legal Debt Margin Information

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

	1998	1999	2000 *	2001
Debt limit	\$ 1,113,441	\$ 1,073,366	\$ 1,076,495	\$ 1,098,125
Total net debt applicable to limit	224,060	203,097	826,706	859,553
Legal debt margin	\$ 889,381	\$ 870,269	\$ 249,789	\$ 238,572
Total net debt applicable to the limit as a percentage of debt limit	20.12%	18.92%	76.80%	78.27%

* Note: Includes \$350,000,000 Taxable Pension Bond Issue of August 28,2000, Series B

2002	2003	2004	2005	2006	2007
\$ 1,221,948	\$ 1,310,722	\$ 1,277,556	\$ 1,421,441	\$ 1,514,400	\$ 1,575,702
835,663	820,848	825,160	892,013	945,365	934,990
\$ 386,285	\$ 489,874	\$ 452,396	\$ 529,428	\$ 569,035	\$ 640,712
68.39%	62.63%	64.59%	62.75%	62.43%	59.34%

CITY OF BRIDGEPORT, CONNECTICUT

COMPUTATION OF LEGAL DEBT LIMITATION

June 30, 2007

Total tax collections (including interest and lien fees) for the year ended June 30, 2007	\$ 225,046,642
Reimbursement for revenue loss:	
Tax relief for elderly	<u>53,646</u>
Base	<u>\$ 225,100,288</u>
Debt limit	<u><u>\$ 1,575,702,016</u></u>

Debt Limitation	General Purpose	Schools	Sewer	Urban Renewal	Unfunded Pension Benefit Obligation
2-1/4 times base	\$ 506,475,648	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	1,012,951,296	-	-	-
3-3/4 times base	-	-	844,126,080	-	-
3-1/4 times base	-	-	-	731,575,936	-
3 times base	-	-	-	-	675,300,864
Total debt limitation	<u>506,475,648</u>	<u>1,012,951,296</u>	<u>844,126,080</u>	<u>731,575,936</u>	<u>675,300,864</u>
Debt as defined by statute:					
Bond anticipation notes payable	257,820,419	129,694,581	54,341,807	6,335,000	323,435,000
Bonds authorized but not issued, issue dates not yet established	47,032,847	41,760,413	-	-	90,000,000
Less: School construction grants	-	(15,919,998)	-	-	-
Total indebtedness	<u>304,853,266</u>	<u>155,534,996</u>	<u>54,341,807</u>	<u>6,335,000</u>	<u>413,435,000</u>
Debt Limitation in excess of indebtedness	<u><u>\$ 201,622,382</u></u>	<u><u>\$ 857,416,300</u></u>	<u><u>\$ 789,784,273</u></u>	<u><u>\$ 725,240,936</u></u>	<u><u>\$ 261,865,864</u></u>

CITY OF BRIDGEPORT, CONNECTICUT

Pledged-Revenue Coverage

Last Five Fiscal Years

(dollars in thousands)

(Unaudited)

Water Pollution Control Authority Revenue Bonds

Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2003	n/a	n/a	n/a	n/a	n/a	n/a
2004	n/a	n/a	n/a	n/a	n/a	n/a
2005	n/a	n/a	n/a	n/a	n/a	n/a
2006	n/a	n/a	n/a	n/a	n/a	n/a
2007	n/a	n/a	n/a	n/a	n/a	n/a

n/a: The City does not have any revenue bonds.

CITY OF BRIDGEPORT, CONNECTICUT

Demographic and Economic Statistics

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended June 30	Population	Personal Income	Per Capita Income	Median Age	School Enrollment	Unemployment(*) Rate
1998	141,686	28,704	14,534	31.1	22,153	7.1%
1999	141,686	45,535	16,161	31.1	22,225	5.7%
2000	139,529	45,535	16,161	31.4	22,321	4.8%
2001	139,529	54,313	20,302	31.4	22,434	4.1%
2002	139,529	54,313	20,302	31.4	22,796	6.5%
2003	139,529	54,313	20,302	31.4	22,757	9.1%
2004	139,529	54,313	20,302	31.4	22,713	8.9%
2005	139,529	54,313	20,302	31.4	22,391	7.8%
2006	139,529	54,313	20,302	31.4	21,934	6.7%
2007	139,529	54,313	20,302	31.4	21,312	6.6%

CITY OF BRIDGEPORT, CONNECTICUT

Principal Employers

Current Year and Nine Years Ago

(Unaudited)

Employer	2007			1998		
	Employees	Rank	Percentage of Total City Employment	Employees*	Rank	Percentage of Total City Employment
People's United Bank**	4,000	1	6.79%	1,400	1	2.45%
Bridgeport Hospital, Inc.	2,700	2	4.58%	2,029	3	3.56%
St. Vincent's Medical Center	2,200	3	3.73%	1,875	2	3.29%
Bridgeport Health Care Center	1,100	4	1.87%	550	4	0.96%
Sikorsky Aircraft (United Technologies)	600	5	1.02%	500	5	0.88%
RBS National Bank	500	6	0.85%	-		0.00%
AT&T	450	7	0.76%	375	8	0.66%
Lacey Manufacturing Company	350	8	0.59%	360	9	0.63%
Pitney Bowes	220	9	0.37%			0.00%
Derecktor Shipyards	200	10	0.34%			0.00%
Bridgeport Machines, Inc.				425	6	0.75%
Casco Products				420	7	0.74%
Remington Products Inc.				275	10	0.48%

* Note: Estimate

** Note: Name change occurred during period.

Sources: City of Bridgeport - Office of Planning and Economic Development

CITY OF BRIDGEPORT, CONNECTICUT

**Full-Time Equivalent City Government Employees By Functions/Programs
Last Ten Fiscal Years
(Unaudited)**

<u>Functions/Program</u>	Full-Time Equivalent Employees as of June 30			
	2007	2006	2005	2004
GENERAL GOVERNMENT				
Central grants office	6	6	6	4
Mayor's office	8	8	8	6
Constituent Services	-	-	-	-
Civil service commission	8	7	8	8
Grants personnel	7	7	10	10
City attorney	21	22	24	23
City clerk and city council	6	7	6	6
Registrar of voters	6	6	6	6
Legislative department	2	1	2	1
Libraries	68	68	68	68
Office of policy and management	6	6	7	8
Archives and records	1	1	1	1
Town Clerk	8	8	8	8
Chief administrative officer	3	3	3	1
Finance department	4	5	5	4
Comptroller's office	15	15	17	17
Treasurer's office	3	3	3	3
Tax assessor	15	15	15	14
Information technology services	20	21	24	25
Tax collector	18	16	15	15
Purchasing	8	8	8	7
Print shop	7	7	7	6
Labor relations	8	8	8	8
Barnum Institute	-	-	-	-
Employee org. & development	-	-	2	2
PROTECTION OF PERSON AND PROPERTY				
Police department	537	544	574	548
Fire department	326	326	370	375
Weights and measures	2	2	2	2
CONSERVATION OF HEALTH				
Office and administrative	3	4	5	4
Registrar of vital statistics	4	4	4	4
Communicable diseases	4	4	5	5
Public health nursing	37	37	39	39
Dental hygiene	7	7	8	8
Environmental health	7	8	9	9
Health clinics	6	6	4	2
Dental Clinic	-	-	-	-
Housing code enforcement	3	3	4	3
Laboratory	-	-	-	1
Lead poisoning	-	-	3	3
School based health	25	26	26	26

Full-Time Equivalent Employees as of June 30

2003	2002	2001	2000	1999	1998
4	4	4	4	4	4
5	5	6	7	7	9
2	4	5	5	4	1
8	9	9	9	9	9
9	12	13	14	13	12
21	22	22	23	15	17
6	6	7	7	7	6
6	6	6	6	6	6
1	1	1	1	1	-
79	79	72	69	69	68
8	8	9	9	9	9
1	1	1	1	1	1
8	8	7	7	7	7
-	4	5	5	3	3
4	7	7	6	6	5
17	19	18	19	20	20
3	4	4	4	4	4
14	19	19	19	19	18
25	27	27	27	26	24
15	16	16	16	16	17
7	7	6	6	6	6
6	6	6	6	6	6
8	7	7	8	7	7
-	-	-	-	1	1
2	2	3	3	3	3
571	579	591	590	573	551
407	399	402	398	389	367
2	2	2	2	2	2
4	7	8	8	8	9
4	6	6	7	7	7
5	6	6	6	5	5
41	36	36	36	33	33
8	8	7	8	8	8
8	8	8	8	8	8
2	8	8	8	7	7
-	3	3	3	3	3
3	4	4	4	4	4
1	4	3	3	3	3
3	3	3	4	4	4
25	25	25	25	21	18

CITY OF BRIDGEPORT, CONNECTICUT

**Full-Time Equivalent City Government Employees By Functions/Programs
Last Ten Fiscal Years
(Unaudited)**

Functions/Program	Full-Time Equivalent Employees as of June 30			
	2007	2006	2005	2004
PUBLIC FACILITIES				
City Engineer	6	6	6	6
Zoning commission	6	6	6	5
Zoning Board of Appeals	1	1	1	1
Building Department	10	-	10	10
Harbor Master	1	1	1	1
Transfer station	1	1	1	1
Director of public works	15	15	16	13
Ash and garbage collection	36	36	36	36
Landfill operation	-	-	-	-
Recycling	-	-	-	-
Roadway maintenance	43	46	48	48
Clean & Green	-	-	-	-
Planning and Development	16	16	20	19
Sikorsky Airport	15	15	15	15
Municipal garage	10	10	11	8
Maintenance	34	34	37	38
Construction Division	-	-	-	-
CHARITIES AND HOSPITALS				
Social Services	2	2	1	1
PARKS AND RECREATION				
Board of recreation	3	3	3	3
Parks department	31	31	30	28
Park Mounted Unit / Stable	-	-	-	2
Beardsley zoo	13	13	13	13
SPECIAL SERVICES				
Youth services	4	3	2	2
HRD administration	2	2	3	4
Department on aging	6	6	6	6
Office for disabilities	1	-	1	1
Veterans Affairs	1	-	-	-
Affirmative Action	-	-	-	-
Total	1,466	1,465	1,580	1,539

Full-Time Equivalent Employees as of June 30					
2003	2002	2001	2000	1999	1998
7	9	9	9	7	7
5	5	5	5	5	4
1	1	1	1	1	1
10	10	10	10	10	10
2	3	3	3	3	3
1	1	1	1	1	1
12	13	13	13	13	13
26	26	26	26	26	26
-	-	-	-	-	3
10	10	10	11	11	11
48	51	47	49	47	47
-	-	5	5	3	1
19	22	21	21	24	16
15	21	21	22	22	22
8	8	10	12	11	11
39	41	44	46	44	44
-	9	9	8	-	-
-	5	5	5	6	9
4	4	4	5	5	5
29	32	28	31	33	29
2	2	3	-	-	-
13	13	13	13	13	13
2	3	3	3	3	-
4	4	3	3	1	4
5	6	6	6	6	6
1	2	2	2	2	3
-	-	-	-	-	-
-	4	4	5	5	3
1,605	1,686	1,698	1,706	1,646	1,584

CITY OF BRIDGEPORT, CONNECTICUT

**Operating Indicators By Function/Program
Last Ten Calendar Years
(Unaudited)**

Function/Program	Calendar Year			
	1998	1999	2000	2001
Police:				
Calls for service	110,636	111,249	121,486	123,407
Adult arrest	n/a	n/a	n/a	n/a
Juvenile arrest	n/a	n/a	n/a	n/a
Fire:				
Total fire runs	11,389	12,534	12,784	13,488
Total rescue runs	557	688	693	575
Property loss	\$ 5,672,729	\$ 5,785,213	\$ 5,190,040	\$ 6,012,088
Building safety:				
Total building permits	2,313	2,315	2,246	2,197
Total value all permits	\$ 93,115,902	\$ 39,272,051	\$ 60,643,154	\$ 64,670,979
Library, volumes in collection	520,000	520,000	520,000	525,000
Public service:				
Garbage collected (ton)	n/a	n/a	n/a	68,248
Recycle collected (ton)	n/a	n/a	n/a	3,835
Parks and Recreation:				
Recreation program attendance	n/a	n/a	n/a	n/a
Aquatics program attendance	n/a	n/a	n/a	n/a
Golf rounds played	n/a	n/a	n/a	n/a
Street trees maintained	477	500	663	656

Source: City Records

Note: n/a - Indicator not available

*** - Construction limited rounds available to be played.

Calendar Year					
2002	2003	2004	2005	2006	2007
120,822	129,649	127,347	118,047	123,901	120,655
7,245	7,057	6,959	5,927	5,295	-
1,017	1,179	1,353	1,413	1,114	-
11,399	11,005	10,619	10,507	10,094	10,064
n/a	1,484	918	1,049	931	831
n/a	4,647,647	3,092,865	6,509,323	6,963,375	5,936,590
2,293	2,359	2,466	2,381	2,724	2,386
\$ 59,184,661	\$ 67,212,183	\$ 75,542,022	\$ 108,551,386	\$ 183,273,790	\$ 195,631,366
525,000	525,000	525,000	525,000	525,000	499,662
64,614	63,197	66,841	69,171	65,055	67,093
4,571	4,124	4,110	3,864	3,496	5,934
n/a	1,235	1,897	2,100	2,375	2,575
n/a	706	750	900	600	600
n/a	n/a	60,249	53,375	23,436***	45,007***
694	666	675	405	490	540

CITY OF BRIDGEPORT, CONNECTICUT

**Capital Asset Statistics By Function/Program
Last Ten Fiscal Years
(Unaudited)**

Function/Program	1998	1999	2000	2001
Police:				
Stations	1	1	3	3
Police Officer Sector Terminals (POST)	6	6	5	5
Number of personnel and officers	453	428	546	574
Number of Divisions	11	11	11	11
Fire:				
Stations	8	8	8	8
Number of personnel and officers	369	368	409	399
Equipment (pieces)	20	20	21	21
Refuse Collection:				
Collection Trucks	15	15	15	15
Public Facilities:				
Streets (Miles)	829	829	829	829
Traffic Signals	1,552	1,552	1,552	1,552
Parks & Recreation:				
Playgrounds	16	16	16	19
Parks	41	41	47	47
Park Acreage	1,326	1,326	1,330	1,330
Golf Courses	2	2	2	2
Swimming Pools	2	2	3	3
Tennis Courts	24	24	24	24
Museums	2	2	2	2
Zoo	1	1	1	1
Baseball/softball diamonds	25	25	25	25
Ice Skating Rinks	1	1	1	1
Soccer/Football Fields	17	18	18	20
Library:				
Facilities	6	6	6	5
Volumes	520,000	520,000	520,000	525,000
Water:				
Average Daily Consumption (MGPD)	15,062	14,550	14,345	14,560
Wastewater:				
Sanitary Sewers (miles)	150	150	150	151
Storm Sewers (miles)	n/a	n/a	n/a	n/a
Combination Sanitary and Storm (miles)	133	133	133	132
Number of sewer wells	55,050	55,050	55,050	55,050
Number of Treatment Plants	2	2	2	2

Source: City Records

2002	2003	2004	2005	2006	2007
3	3	3	3	3	3
5	5	5	5	5	5
574	574	574	574	574	574
11	11	11	11	11	11
8	8	8	8	8	8
399	399	399	399	399	315
21	21	23	24	25	28
15	15	15	15	15	15
829	829	829	829	829	829
1,552	1,552	1,552	1,552	1,552	1,552
19	19	19	19	19	19
47	47	47	47	47	47
1,330	1,330	1,330	1,330	1,330	1,330
2	2	2	2	2	2
3	3	3	3	3	3
24	24	24	24	24	24
2	2	2	2	2	2
1	1	1	1	1	1
25	25	25	25	25	25
1	1	1	1	2	2
24	18	18	17	17	17
5	5	5	5	5	4
525,000	525,000	525,000	525,000	525,000	499,662
14,323	14,306	13,446	13,382	13,286	12,821
151	152	152	154	154	157
n/a	n/a	n/a	n/a	n/a	n/a
132	131	131	129	129	126
55,050	55,050	55,050	55,050	55,050	55,050
2	2	2	2	2	2

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